

QUARTER 4 – MANAGEMENT FINANCIAL REPORT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2023

JANUARY 2024



NATIONAL INVESTMENTS PLC



1. INTRODUCTION

The report is prepared in compliance with the company's financial regulations and that of the statutory compliance described in the regulation of the Capital Market Securities Authorities (CMSA) and Dar Es Salaam Stock Exchange (DSE) which requires a listed company to prepare and submit quarterly reports. This report summarizes the FY 2023 performance and financial position of National Investments Plc for the period ended 31st December 2023.

2. PERFORMANCE SUMMARY

The results for the Quarter 4 and the year ended 31st December 2023 are set out on the below pages of this report.

The Group's revenue increased by 33% having a total revenue of TZS 11.1 billion during the year (2022: 8.3 billion). This is exclusive of the other income which was TZS 1.26 billion in 2023 compared to TZS 218 million in 2022.

The total expenses including interest expenses for the year ended 31st December 2023 are TZS 4.13 billion compared to TZS 2.36 billion in 2022. This difference is a result of interest expenses of the loan subscribed during the year. Proper expenses management remains to be a major concern and priority for the Group.

The Group made a profit after tax of 7.29 billion which is a 23% increase in profit compared to the profit after tax reported in 2022 of 5.92 billion.

Our balance sheet remains to be strong whereby the Net Assets have improved by 34% to 139 billion in 2023 compared to 104 billion in 2022.

We have improved our investments whereby our equity investments remain to be significant followed by the government securities. A total of 132 billion in 2023 compared to 101 billion in 2022 have been recorded.

Financial Highlights

Financial Performance Highlights	December 2023	December 2022	% increase/decrease
Interest Income	TZS 5.08 billion	TZS 3.02 billion	68% ↑
Dividend Income	TZS 6.04 billion	TZS 5.32 billion	14% ↑
Profit before tax	TZS 7.65 billion	TZS 6.20 billion	23% ↑
Basic earnings per share	TZS 118.26	TZS 96.04	23% ↑
Financial Position Highlights	June 2023	December 2022	% increase/decrease
Total Assets	TZS 166 billion	TZS 127 billion	31% ↑
Shareholder's fund	TZS 155 billion	TZS 122 billion	27% ↑

NATIONAL INVESTMENTS PLC



-----UNAUDITED-----

GROUP FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group 31-Dec-23 TZS "000"	31-Dec-22 TZS "000"
Investments Income			
Dividend Income	3	6,039,217	5,322,391
Interest Income	4	5,084,412	3,019,960
Total Investment Income		11,123,629	8,342,351
Other Income	10	654,522	218,381
Total Income		11,778,151	8,560,732
Employees Benefit expenses	5	(786,837)	(656,720)
Administration Expenses	6	(557,995)	(1,218,964)
Other Administration expenses	9	(104,680)	(82,792)
Board Expenses	7	(228,810)	(317,898)
Total Operating Income		10,099,829	6,284,358
Finance Expenses	8	(2,447,988)	(87,685)
Profit before Income tax		7,651,841	6,196,673
Taxation	11	(362,890)	(277,344)
Profit after taxation		7,288,951	5,919,329
Other Comprehensive Income Not classified to P&L			
Net change in fair value	12	30,413,429	26,475,901
Loss on disposal of equity		-	(230,264)
Total Comprehensive Income		37,702,380	32,164,966
Attributable to:			
Owners of the Company		37,702,709	32,165,678
Non-controlling interest		(329)	(712)
		37,702,380	32,164,966

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Company	
		31-Dec-23	31-Dec-22
	Note	TZS "000"	TZS "000"
Investments Income			
Dividend Income	3	6,039,217	5,322,391
Interest Income	4	5,084,412	3,019,960
Total Investment Income		11,123,629	8,342,351
Other Income	10	586,626	218,381
Total Income		11,710,255	8,560,732
Employees Benefit expenses	5	(786,837)	(656,720)
Administration Expenses	6	(480,849)	(1,158,417)
Other Administration expenses	9	(104,080)	(82,792)
Board Expenses	7	(205,796)	(307,201)
Total Operating Income		10,132,693	6,355,603
Finance Expenses	8	(2,447,988)	(87,685)
Profit before Income tax		7,684,705	6,267,918
Taxation	11	(362,890)	(277,344)
Profit after taxation		7,321,815	5,990,574
Other Comprehensive Income			
Not classified to P&L			
Net change in fair value	12	30,413,429	26,475,901
Gain/loss on Bonds Valuation		-	-
Loss on disposal of equity		-	(230,264)
Total Comprehensive Income		37,735,244	32,236,211

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Company	
		2023 TZS '000	2022 TZS '000	2023 TZS '000	2022 TZS '000
Equity					
Share capital		7,704,354	7,704,354	7,704,354	7,704,354
Share premium		1,588,635	1,588,635	1,588,635	1,588,635
Retained earnings		40,880,488	36,241,505	40,983,557	36,312,038
FVOCI Reserve		88,845,125	58,431,696	88,845,125	58,431,695
Total Equity attributable to shareholders of the parent		139,018,602	103,966,190	139,121,671	104,036,724
Non-controlling interest		(1,041)	(712)	-	-
Total Equity		139,017,561	103,965,478	139,121,671	104,036,724
Non-current liabilities					
Lease liabilities		233,919	-	233,919	-
Borrowings	18	16,161,905	18,514,286	16,161,905	18,514,286
		16,395,824	18,514,286	16,395,824	18,514,286
		155,413,385	122,479,764	155,517,495	122,551,010
REPRESENTED BY					
Non-current assets					
Property and equipment	13	387,565	62,024	387,565	62,024
Capital work in progress	13	23,013,542	1,861,864	1,920,542	1,861,864
Right-of-use asset		268,608	27,912	268,608	27,912
Long-term receivable		-	-	2,191,781	1,534,247
Investment in Subsidiary		-	-	23,241,234	25
Corporate Bond		202,702	-	202,702	-
Equity investments	14	96,877,777	66,464,348	96,877,777	66,464,348
Government securities	15	34,637,359	34,637,359	34,637,359	34,637,359
		155,387,553	103,053,507	159,727,568	104,587,779
Current assets					
Trade and other receivables	16	65,245	743,905	873,464	1,309,658
Investment property		9,549,356	1,754,294	-	-
Deposits with financial institutions		-	10,021,918	-	10,021,918
Cash and cash equivalents	17	611,376	11,949,680	548,007	11,675,220
		10,225,977	24,469,797	1,421,471	23,006,796
Current liabilities					
Lease liabilities		43,136	6,025	43,134	6,025
Borrowings	18	3,452,381	3,085,714	3,452,381	3,085,714
Provisions		-	608,240	-	608,240
Trade and other payables	19	4,821,868	161,098	253,268	161,123
Dividend payable		1,882,761	1,182,463	1,882,761	1,182,463
		10,200,146	5,043,540	5,631,546	5,043,565
Net current liabilities		25,831	19,426,257	(4,210,076)	17,963,231
		155,413,385	122,479,764	155,517,495	122,551,010

STATEMENT OF CHANGES IN EQUITY (GROUP)

	Notes	Share Capital	Share Premium	FVOCI Reserve	Retained earnings	Non- controlling interest	Total
At start of year		7,704,354	1,588,635	58,431,696	36,241,506	(712)	103,965,478
Profit for the period		-	-	-	7,289,280	(329)	7,288,951
Other Comprehensive income for the period							
Adjustment of share register		-	-	-	-	-	-
Change in fair value of equity instruments designated as at fair value through other comprehensive income	12			30,413,429	-	-	30,413,429
Loss on disposal of equity investments		-	-	-	-	-	-
Gain/loss on bonds valuation		-	-	-	-	-	-
Dividend		-	-	-	(2,650,298)	-	(2,650,298)
At end of period		<u>7,704,354</u>	<u>1,588,635</u>	<u>88,845,125</u>	<u>40,880,488</u>	<u>(1,041)</u>	<u>139,017,561</u>

STATEMENT OF CHANGES IN EQUITY (COMPANY)

	Notes	Share Capital	Share Premium	FVOCI Reserve	Retained earnings	Total
At start of year		7,704,354	1,588,635	58,431,696	36,312,039	104,036,724
Profit for the period		-	-	-	7,321,815	7,321,815
Other Comprehensive income for the period						
Change in fair value of equity instruments designated as at fair value through other comprehensive income	12	-	-	30,413,429		30,413,429
Loss on disposal of equity investments		-	-	-	-	-
Gain/loss on bonds valuation		-	-	-	-	-
Dividend		-	-	-	(2,650,298)	(2,650,298)
At end of period		<u>7,704,354</u>	<u>1,588,635</u>	<u>88,845,125</u>	<u>40,983,557</u>	<u>139,121,671</u>

CONSOLIDATED STATEMENT OF CASHFLOWS

OPERATING ACTIVITES		Group		Company	
	Notes	31-Dec-23 TZS '000	31-Dec-22 TZS '000	31-Dec-23 TZS '000	31-Dec-22 TZS '000
OPERATING ACTIVITIES					
Profit before tax		7,651,841	6,196,673	7,684,705	6,267,918
Adjustments:					
Interest from Govt Bond	4	(4,484,137)	(2,859,920)	(4,484,137)	(2,859,920)
Interest from FDR	4	(520,775)	(144,732)	(520,775)	(144,732)
Interest dividend income	3	(6,039,217)	(5,322,391)	(6,039,217)	(5,322,391)
Interest income corporate bond	4	(12,902)	(15,308)	(12,902)	(15,308)
Interest income on account balance	4	(66,598)	-	(66,598)	-
Interest expense – Loan repayment	8	2,424,938	-	2,424,938	-
Tax paid	11	(362,890)	(277,344)	(362,890)	(277,344)
Depreciation property and equipment	13	39,303	35,497	39,303	35,497
Depreciation right of use asset		49,125	67,875	49,125	67,875
Loan processing fees	8	6,018	76,464	6,018	76,464
Release overprovision		(1,265,850)	(180,587)	(1,265,850)	(180,587)
Interest on lease liability		17,031	11,221	17,031	11,221
		(2,564,112)	(4,036,767)	(2,531,248)	(2,341,306)
Changes in working capital:					
(Increase)/Decrease in Trade receivable		678,660	(484,470)	(221,340)	(2,584,470)
Increase/(Decrease) in Trade Payables		4,660,770	(90,042)	92,145	(90,017)
Net cash flows from operating activities		2,775,318	(4,611,279)	(2,660,443)	(5,015,793)
INVESTING ACTIVITIES					
Purchase of property and equipment	13	(364,844)	(34,548)	(364,844)	(34,548)
Capital Work in Progress	13	(21,151,678)	(229,864)	(58,678)	(229,864)
Purchase of corporate bonds		(202,702)	-	(202,702)	-
Purchase of Government Bonds		-	(19,237,163)	-	(19,237,163)
Proceeds from Government bonds		50,041	-	50,041	-
Disposal of equity investments		-	16,904,667	-	16,904,667
Purchase of Investment property		(7,795,062)	(1,754,294)	-	-
Investment in subsidiary		-	(25)	(23,241,209)	(25)
Movement in deposits with banks		10,621,918	(10,021,918)	10,621,918	(10,021,918)
Interest received on fixed deposit	4	520,775	144,732	520,775	144,732
Interest received on account balance	4	66,598	15,308	66,598	15,308
Interest received corporate bond	4	12,902	-	12,902	-
Interest income from dividend received	3	6,039,217	5,322,391	6,039,217	5,322,391
Interest income from government bonds	4	4,484,137	2,859,920	4,484,137	2,859,920
Net cash flows from investing activities		(7,718,699)	(11,353,160)	(2,071,846)	(4,276,500)
FINANCING ACTIVITIES					
Dividend paid		(1,950,000)	(1,114,023)	(1,950,000)	(1,114,023)
Loan repayment	8	(2,424,938)	-	(2,424,938)	-
Borrowings	18	(1,985,714)	21,600,000	(1,985,714)	21,600,000
Loan processing fees	8	(6,018)	(76,464)	(6,018)	(76,464)
Payment of principle lease		(28,253)	(78,833)	(28,253)	(78,833)
Net cash used in financing activities		(6,394,924)	20,330,679	(6,394,924)	20,330,679
Increase/(decrease) in cash and cash equivalents		(11,338,305)	11,312,846	(11,127,213)	11,038,386
Movement in cash and cash equivalents					
At start of period		11,949,681	636,834	11,675,220	636,834
Increase/(decrease) in cash and cash equivalents		(11,338,305)	11,312,846	(11,127,213)	11,038,386
At end of period		611,376	11,949,680	548,007	11,675,220

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

National Investments Plc is a Company domiciled in Tanzania. These consolidated unaudited financial statements comprise the financial statements of the Company and its subsidiary; Nico Land Development Company Limited (together referred to as "the Group") and are for the year ended 31st December 2023.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2002.

(b) Basis of measurement

These Consolidated financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value; and
- Available-for-sale financial assets are measured at fair value.

(c) Functional and presentation currency

These consolidated unaudited financial statements are presented in Tanzanian Shilling, which is the Company's functional and presentation currency. Except as indicated, the financial information presented in Tanzanian Shillings has been rounded to the nearest thousands (TZS'000).

(d) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(e) Foreign currency transaction

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available for-sale assets, which are included in the fair value reserve in equity.

NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

i. Non-derivative financial assets

Recognition

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

De-recognition

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

Offsetting

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

Loans and receivables

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

Available for sale reserves

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in equity quoted securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences (if any) on available-for sale equity instruments, are recognised in other comprehensive income and presented within equity in the available for sale reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, fixed deposits and any call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment

(h)

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

	Group	Company
· Buildings	2.50%	2.50%
· Plant and Machinery	25%	25%
· Furniture, Fixture and Equipment	25%-33%	25%
· Motor Vehicle	25%	25%
· Computer	25%	25%
· Leasehold land is not depreciated		

(h) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(j) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in income statement when they are due.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(k) Investment income

Investment income comprises dividend income, interest income, gains on disposal of available for sale financial assets at fair value through profit or loss. Investment income is recognised as it accrues in income statement, using the effective interest method. Dividend income is recognised in income statement on the date the Company's right to receive payment is established, which in this case of quoted securities is the ex-dividend date at the date dividend declaration is made.

(l) Finance expenses

Finance expense comprises interest expense on borrowings. All borrowings are recognised in income statement using the effective interest method.

(m) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity net of tax as deduction from the proceeds.

(n) Earnings per share

The Group and company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group and company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive.

(o) Comparative figures

Previous year's audited figures have been regrouped whenever considered necessary to make them comparable, the half year figures of the current period comparable with those of the similar previous year period of the half year.

(p) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as operating board that makes strategic decisions. In the year ended 31 December 2023, the Company and its subsidiary were considered as one segment, and all operating decisions were exercised by same management.

(q) **Investment in Subsidiary**

The Group controls one subsidiary named Nico Land Development Company Limited with 99% ownership whose principal activity is conducting business in real estate by investing in commercial properties, students' hostels, buy, develop and sale subdivided surveyed plots, establishment of shopping malls through joint ventures.

Summarised financial information for Nico Land Development Company Limited, is set out below:

STATEMENT OF FINANCIAL POSITION	2023	2022
	TZS '000	TZS '000
Equity		
Share capital	23,241,236	25
Retained earnings	(104,111)	(71,247)
Equity attributable to owners of the company	23,137,125	(71,222)
Non-current liabilities		
Borrowings	3,000,000	2,100,000
	3,000,000	2,100,000
	26,137,124	2,028,778
REPRESENTED BY		
Non-current assets		
Investment property	21,093,000	1,754,294
Asset held for trading	9,549,356	1,754,294
Current assets		
Trade and other receivables	-	25
Cash and cash equivalents	63,369	274,460
Current liabilities		
Sundry creditors	4,568,600	-
Net current liabilities	(4,505,231)	274,484
	26,137,125	2,028,778
STATEMENT OF PROFIT OR LOSS		
Revenue	-	-
Other income	67,897	-
Net income	-	-
Administrative expenses	(100,761)	(71,246)
Operating profit	(32,864)	(71,246)
Finance costs	-	-
Profit before taxation	(32,864)	(71,247)
Tax charge	-	-
Profit for the year	(32,864)	(71,247)
STATEMENT OF CASHFLOWS		
Net cash from operating activities	4,535,761	(71,247)
Net cash used in investing activities	(28,888,062)	(1,754,294)
Net cash from (used in) financing activities	24,141,186	2,100,025
At start of the year	274,484	-
Net cash inflow	63,369	274,484

3. Dividend Income

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Dividend Income from NMB Shares	5,838,106	5,116,845	5,116,845	5,116,845
Dividend Income from Twiga Cement	23,806	23,806	23,806	23,806
Dividend Income from TBL	-	37,158	-	37,158
Dividend Income from Swissport	141	200	200	200
Dividend Income from TCC	5,146	4,608	5,146	4,608
Dividend Income from CRDB Bank	12,912	10,330	10,330	10,330
Dividend Income from Vodacom	9,950	-	-	-
Dividend Income from DSE	149,156	129,445	129,445	129,445
	6,039,217	5,322,391	6,039,217	5,322,391

4. Interest Income

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Interest Income - 20Yrs G-Bonds	3,157,337	2,118,368	3,157,337	2,118,368
Interest Income - 25Yrs G-Bonds	1,326,800	728,348	1,326,800	728,348
Interest Income - Fixed Deposit	520,775	157,936	520,775	157,936
Interest Income -TMRC Bond	12,902	-	12,902	-
Interest Income - Bank Balances	66,598	15,308	66,598	15,308
	5,084,412	3,019,960	5,084,412	3,019,960

5. Employment Expenses

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Training	6,830	11,188	6,830	11,188
Medical Expenses	911	3,575	911	3,575
Medical Assurance	21,207	14,381	21,207	14,381
Recruitment expenses	-	46,673	-	46,673
Salaries and Wages*	602,316	455,291	602,316	455,291
NSSF (Employer's Contributions)*	63,939	48,293	63,939	48,293
Gratuity*	51,608	45,250	51,608	45,250
Workers Compensation Fund*	2,951	2,353	2,951	2,353
Allowances*	37,075	29,717	37,075	29,717
	786,837	656,720	786,837	656,720

*Salaries, allowances and statutory deductions have slightly increased compared to 2022 due to payroll adjustment of 8% improvement to factor in inflation and rise of cost of living for our employees.

6. Administration Expenses

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
14th EGM Expenses	-	143,173	-	143,173
30th EGM Expenses	-	157,374	-	157,374
Printing and Stationery	7,381	6,662	7,092	6,662
Telephone and Postage	18,422	831	18,422	831
Advertisement	28,659	25,886	28,659	25,886
Legal and Consultancy Fees	64,888	203,197	61,950	203,197
Annual General Meetings	110,805	254,259	110,805	254,259
Transport and Travelling	97,191	84,290	30,836	56,405
Bank Charges	8,198	7,639	3,188	7,103
Website Design & Internet	-	16,570	-	16,570
Office Supplies and Expenses	26,262	19,420	24,057	19,420
Transactional/Brokerage Fees	1,015	12,849	1,015	12,849
Insurance	2,401	-	2,401	-
Annual Subscription Fees	-	35,304	-	35,304
Consultancy Fees	31,328	44,990	30,978	12,864
Meetings and Conferences	1,210	7,894	1,210	7,894
DSE Fees	14,912	49,735	14,912	49,735
Audit Fees - Current	45,904	43,660	45,904	43,660
Secretarial Services Expenses	32,400	36,774	32,400	36,774
Land Rent	-	579	-	579
Exchange Gain/loss Realized	17,894	-	17,894	-
Depreciation on right of use	49,125	67,875	49,125	67,875
	557,995	1,218,964	480,849	1,158,417

7. Board Expenses

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Board travelling expenses	12,117	11,673	12,117	11,673
Directors' expenses*	78,551	112,065	55,538	101,368
Board Induction**	-	66,315	-	66,315
Directors' fees***	88,641	77,490	88,641	77,490
Executive committee expenses	7,422	10,753	7,422	10,753
Investment and financing committee	22,817	23,957	22,817	23,957
Audit and risk committee	19,207	15,645	19,207	15,645
	228,810	317,898	205,796	307,201

* During the year there was a reduction in director's expenses mainly because of reduction in number of meetings. The Board held 5 meeting during the year where by 4 of them were ordinary meetings and 1 extra-ordinary meeting which was held for an urgently matter that required the Board's attention.

** In 2023 there was no Board induction which was postponed to year 2024 due to unavoidable circumstances.

***In 2023 there was a slight adjustment of director's fees, an adjustment was meant to address a long period of time which passed without adjustment but also the increase of cost of living and inflation.

8. Finance Costs

	Group 31-Dec-23 TZS "000"	Group 31-Dec-22 TZS "000"	Company 31-Dec-23 TZS "000"	Company 31-Dec-22 TZS "000"
Interest expense on lease	17,031	11,221	17,031	11,221
Loan processing fees	6,018	76,464	6,018	76,464
Interest expenses*	2,424,938	-	2,424,938	-
	2,447,988	87,685	2,447,988	87,685

* Interest expenses relate to the interest charged during the year in respect of the loan subscribed at DTB Bank at a rate of 11.5% in 2023 to facilitate investment opportunities.

9. Other Administration expenses

	Group 31-Dec-23 TZS "000"	Group 31-Dec-22 TZS "000"	Company 31-Dec-23 TZS "000"	Company 31-Dec-22 TZS "000"
Office Rent*	26,936	8,759	26,936	8,759
Repairs and Maintenance	4,607	6,152	4,607	6,152
Depreciation Furniture and Fittings	8,323	8,767	8,323	8,767
Depreciation Air Conditioners	176	193	176	193
Depreciation Computers	12,340	21,829	12,340	21,829
Depreciation Office Equipment	5,387	4,709	5,387	4,709
Depreciation motor vehicle	13,073	-	13,073	-
Licenses and subscriptions	29,036	258	28,436	258
Incidental Expenses	-	5,035	-	5,035
Security Charges	4,800	4,800	4,800	4,800
Provision for Impairment	-	22,290	-	22,290
	104,680	87,792	104,080	87,792

* The Office rent relates to the service charges in our lease. There is an increase due to accounting treatment adopted in 2023 in comparison to the one in 2022.

10. Other Income

	Group 31-Dec-23 TZS "000"	Group 31-Dec-22 TZS "000"	Company 31-Dec-23 TZS "000"	Company 31-Dec-22 TZS "000"
Miscellaneous Income	57,610	37,794	57,610	37,794
Exchange gain	67,897	-	-	-
Reversal – writeback*	(679,224)	-	(679,224)	-
Over – provision writeback**	1,208,240	180,587	1,208,240	180,587
	654,522	218,381	586,626	218,381

* Reversal – writeback relates to TMCL debt which in 2022 was written back as a result of a confirmed amount by government auditors, which was expected to be remitted to NICOL but the amount has not been paid to date.

** Over – provision writeback relates to a writeback of 600 million which was provided due to liquidation of YETU Microfinance, after assets and liabilities were transferred to NMB Bank we were successful to recover the full amount. Also, 608 million relates to a court case which we won in 2023. Upon winning the case a writeback was made in relation to a provision made initially.

11. Taxation

	Group 31-Dec-23 TZS "000"	Group 31-Dec-22 TZS "000"	Company 31-Dec-23 TZS "000"	Company 31-Dec-22 TZS "000"
Withholding tax on dividends	301,961	266,120	301,961	266,120
Withholding tax on fixed deposits	60,929	11,224	60,929	11,224
	362,890	277,344	362,890	277,344

12. Fair Value Gain/(Loss) on Equity Valuation

	Share	Price per Share		Gain/(loss) per share	Gain/(Loss) Dec-23
		31-Dec- 2022	31-Dec- 2023		Dec-23
		TZS	TZS	TZS	TZS "000"
TPCC	61,040	3,700	4,360	660	40,286
Swissport	3,360	1,320	1,320	-	-
TCCL	40,310	1,100	2,120	1,020	41,116
CRDB Bank	286,940	395	460	65	18,651
DSE	1,285,831	1,700	1,800	100	128,583
NMB Bank	20,395,130	3,020	4,500	1,480	30,184,792
Tanzania Breweries Ltd	128,130	10,900	10,900	-	-
Vodacom Tanzania Ltd	1,000,000	770	770	-	-
Tanzania Cigarette Co Ltd	7,680	17,000	17,000	-	-
					30,413,429

13(b). Property and Equipment

Company	WIP TZS "000"	Motor Vehicles TZS "000"	Furniture & Fittings TZS "000"	Total TZS "000"
Cost				
At start of year	1,861,864	26,670	222,684	249,354
Additions	58,678	313,760	51,084	364,844
Disposal	-	-	-	-
At end of period	1,920,542	340,430	273,768	614,198
Depreciation				
Charge for previous year	-	26,670	160,660	187,330
Elimination and Disposal	-	-	-	-
Charge for the period	-	13,073	26,230	39,303
At end of period	-	39,743	186,890	226,633
Net Book value	1,920,542	300,687	86,878	387,565

13(a). Property and Equipment

Group	WIP TZS "000"	Motor Vehicles TZS "000"	Furniture & Fittings TZS "000"	Total TZS "000"
Cost				
At start of year	1,861,864	26,670	222,684	249,354
Additions	21,151,678	313,760	51,084	364,844
Disposal	-	-	-	-
At end of period	23,013,542	340,430	273,768	614,198
Depreciation				
Charge for previous year	-	26,670	160,660	187,330
Elimination and Disposal	-	-	-	-
Charge for the period	-	13,073	26,230	39,303
At end of period	-	39,743	186,890	226,633
Net Book value	23,013,542	300,687	86,878	387,565

14. Equity Investments

	Group & Company 31 Dec 2023 TZS "000"	Group & Company 31 Dec 2022 TZS "000"
Tanzania Portland Cement Co Ltd	266,134	225,848
Swissport Tanzania Plc	4,435	4,435
Tanga Cement Co Plc	85,457	44,341
CRDB Bank Plc	131,992	113,341
Dar Es Salaam Stock Exchange DE	2,314,496	2,185,913
NMB Bank Plc*	91,778,085	61,593,293
Tanzania Breweries Ltd	1,396,617	1,396,617
Vodacom Tanzania Ltd	770,000	770,000
Tanzania Cigarette Co Ltd	130,560	130,560
	96,877,777	66,464,348

* A significance change in NMB value is due to a rise in the value per share of NMB Bank in the market as a result of good performance for the year. Value per share has moved up to TZS 4,500 during the year ended 31 December 2023 compared to TZS 3,020 in 2022.

15. Government Securities

	Group & Company 31 Dec 2023 TZS "000"	Group & Company 31 Dec 2022 TZS "000"
20 Years Government Bonds	24,561,145	24,561,145
25 Years Government Bonds	10,076,214	10,076,214
	34,637,359	34,637,359

16. Trade and other receivables

	Group 31-Dec-23 TZS "000"	Group 31-Dec-22 TZS "000"	Company 31-Dec-23 TZS "000"	Company 31-Dec-22 TZS "000"
Other receivables	41,055	34,259	41,055	266,120
Receivables from TMCL*	-	679,224	-	679,224
Receivable from Nicoland	-	-	808,219	565,753
Prepayments	24,190	30,422	24,190	30,422
	65,245	743,905	873,464	1,309,658

* Receivables from TMCL remains nil due to the provision of TZS 679 million which was approved for payment by the government auditors. This now makes a total provision of TMCL to be 1.3 billion.

17. Cash and cash equivalent

	Group 31-Dec-23 TZS "000"	Group 31-Dec-22 TZS "000"	Company 31-Dec-23 TZS "000"	Company 31-Dec-22 TZS "000"
Cash in hand	517	668	103	668
Cash at bank	610,859	11,949,012	547,904	11,674,553
	611,376	11,949,680	548,007	11,675,220

18. Borrowings

	Group & Company 31 Dec 2023 TZS "000"	Group & Company 31 Dec 2022 TZS "000"
Current Portion	3,452,381	3,085,714
Non-current Portion	16,161,905	18,514,286
	19,614,286	21,600,000

* The borrowing amount relates to two loans of 21.6 billion and 1.1 billion secured by the Company in 2023 for pursuing investment opportunities. There is a decrease in amount is due to the loan repayments made during the year.

19. Trade and other payables

	Group 31-Dec-23 TZS "000"	Group 31-Dec-22 TZS "000"	Company 31-Dec-23 TZS "000"	Company 31-Dec-22 TZS "000"
Other payables*	4,615,614	55,785	47,013	55,809
Accruals**	173,483	90,241	173,483	90,241
Payable to related party	32,772	15,072	32,772	15,072
	4,821,868	161,098	253,268	161,123

* Other payables under the Group numbers relates to several sundry creditors (1.3 billion) and Mirambo properties (3.2 billion) pending payments in our subsidiary Nicoland.

** Accruals significant figures includes gratuity totaling 95 million and audit totaling 3.6 million.

20. Related Party Transactions

A number of company transactions are entered into with related parties in the normal course of business. These include loans, advances transactions.

The items of related party transactions, outstanding balances at the year-ended 31st December 2023, and related expense for the year are as follows:

Compensation to Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all directors.

a) Directors remuneration

The remuneration of Directors and other key members of management during the year were as follows:

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Director's fees	78,551	112,065	55,538	101,368
Director's expenses	88,641	77,490	88,641	77,490
Board expenses	61,618	128,343	61,617	128,343
	228,810	317,898	205,796	307,201

b) Remuneration of key management personnel

The remuneration of key members of management during the year were as follows:

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Salaries and allowances	480,492	446,700	480,492	446,700
Gratuity	51,608	45,250	51,608	45,250
	532,100	491,500	532,100	491,950

c) Expenses from other related parties

The expenses of Company Secretary and Company Lawyer during the year were as follows:

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Secretarial	32,400	36,774	32,400	36,744
Legal fees	64,450	203,197	61,950	203,197
	96,850	239,971	127,986	239,971

c) Payables from related parties

The payables of key members of management during the year were as follows:

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Gratuity	95,215	43,607	95,215	43,607
Legal fees	32,771	15,072	32,771	15,072
	127,986	58,679	127,986	58,679

d) Receivables from all related parties

The receivables from related parties during the year were as follows:

	Group	Group	Company	Company
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Short term-Loans – key management personnel	31,632	16,334	31,632	16,334
TMCL	-	679,224	-	679,224
Nico land Development Co Ltd	-	-	3,000,000	2,100,000
	31,632	695,558	3,031,632	2,116,334

These financial statements for the period ended 31st December 2023 are subject to audit. Audited financial statements will be approved by the Board before 30th March 2024 for submission and publication. The financial statements for the period ended 31st December 2023 should be referred to for a better understanding of the financial position of the Group and Company.

CPA. Erasto G Ngamilaga
Chief Executive Officer

CPA. Ezekiel Lovililo
Chief Financial Officer