TCCIA INVESTMENT PLC

(Registration number 38280)

Financial statements

for the year ended 31 December 2020

General Information

Country of incorporation and domicile	United Republic of Tanzania
Nature of business and principal activities	Investment in stocks, shares and bonds
Directors	Fortunatus Makore Magambo Prof. Lucian A. Msambichaka Joseph Matanga Kahungwa Magdalene N.E. Mkocha Nathan E. Mnyawami Ernest R. Khisombi Paul F. Koyi
Registered office	24th Floor LAPF Millennium Tower, Bagamoyo road, Kijitonyama, Dar es salaam.
Postal address	P.O. Box 72678 Dar es Salaam
Bankers	CRDB Bank Plc P.O. Box 2302 Dar es Salaam
Auditors	Crowe Tanzania Certified Public Accountants in Public Practice Dar es Salaam
Secretary	Peter William Kifunguomali
Company registration number	38280
Tax reference number	103-410-444

Contents

Chairman's Statement

INTRODUCTION

On behalf of the Board of Directors of TCCIA Investment PLC, I am pleased to present our annual report and financial statements for the year ended 31 December 2020. The company has continued to record stronger performance for the year under review despite the challenges generally associated with the COVID-19 pandemic. A quick review financial performance for the ending on December 2020, income increased by 40% relative comparable to the prior year and profit after tax decreased by 215% compared to prior year amounting to a loss of TZS 475,136,000 major due to diversification on equity investments to government securities. The board and management has continued to take measures in delivering our commitment to create greater shareholder's value and conduct several existing diversification strategies.

BUSINESS SUSTAINABILITY

The Company has high sustainability ambitions in a long-term vision, mission, and core values embedded in three thematic areas: Increase shareholder's value, Investment Excellence, and Operational Excellence. We see sustainability as a major business opportunity and we are convinced that we can make the best contribution to a sustainable future by working together with our major stakeholders to provide more efficient, safer, and environmentally-sound solutions. Sustainability is already an integral part of our operations and our new goals will help us to take further steps.

Despite the noted distinct signs of a slowdown in the market such as low turnover, declining share prices and less than satisfactory performance for some listed companies where TICL holds a stake, we have to continue adopting various measures to ensure good profitability. As we look to the future, we see markets remaining volatile and with the Covid-19 virus impacting businesses globally, we believe that the environment will remain uncertain. Despite these transitory challenges, we will continue to invest in the business, develop our staff to be better equipped to handle these challenges and grow the business sustainably. The ability to deliver a good profitability level even under difficult conditions is one important part of the new financial targets that are presented in our strategic plan for the year 2020-2022. We will continue to diversify our portfolio from traditional avenues. We are targeting above 22% net growth of dividends to shareholders from the next financial year.

DIVIDENDS

For financial year ended 31 December 2020, the Board of Directors has recommended a total gross dividend of TZS 6 per share(2019: TZS 6 per share) or TZS 438.46million. The proposed dividend payment is subject to the shareholder’s approval during the 16th Annual General Meeting to be held later this year.

FUTURE PROSPECTS

The board will in 2021 closely support the execution of initiatives set out to grow revenue lines and promote cost efficiency. We look forward to continuing with diversification strategies; many lessons have been learned and necessary plans will be made to ensure that we have a portfolio that will support our ambitions by focusing on new opportunities.

APPRECIATION

I would like to express my profound appreciation to our valued shareholders, customers, and business partners for their continuous supports. I also wish to extend our appreciation to the Capital Markets and Security Authority, the Dar es Salaam Stock of Exchange, and other regulatory bodies for their guidance and assistance. I also thank my fellow Board members for their efforts to drive the growth of the Company for contributing to our strategies.

I wish to thank the Management for its unwavering dedication and contributions in implementing our strategic priorities. I also thank all our staff members for their hard work and commitment in delivering results and values. Lastly, I wish to extend our gratitude to shareholders for their continued support and faith in the Company. As we continue with our business journey, I am confident that together we will create long-term growth and value. To all our shareholders and stakeholders, we re-affirm our commitment to continue pursuing excellence in all our efforts.

Thank you

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Fortunatus M. Magambo
Chairman of the Board

Date: 12/05/2021

Chief Executive Officer's Statement

INTRODUCTION

During the year ended 31 December 2020, The Company has made significant progress in implementing its three- year plan. We have increased our income by 40%; reduced the operating cost ratio 0.05%, and maintained our dividend paid to our Shareholders. 2020 was the first year of implementing the three-year strategic plan which focuses on four key metrics: customer satisfaction, profitability, free cash flow certainty, and earnings growth. The plan base on three key themes which are to; Increase shareholder's value, Investment Excellence and Operational Excellence. Management and Board are committed to continuing to create long-term, sustainable value for shareholders, investing in our competitiveness. We have made a key decision to support this, including the diversification of our investments from equities investment to the investment in government securities which enables us to grow our income in 2020.

FINANCIAL PERFORMANCE

The Company has managed to maintain steady growth. The revenue and investments have been increasing. Financial performances data for 2020 along with comparative figures for 2019 are given hereunder:

Particulars	**Unit**	**2020**	**2019**	**Change %**
Operational income	TZS'000	2,507,571	1,787,692	40
Operational expenses	TZS'000	1,060,243	1,061,732	0.05
Net profit/(loss) after tax	TZS'000	(475,136)	409,714	(215)
Shareholders' equity	TZS'000	26,570,955	27,096,381	
Net asset value per share of TZS 385 each	TZS'000	69	70	
Earnings per share	TZS	(6.51)	5.62	
Dividend per share	TZS	6	6	

ANALYSIS OF PERFORMANCE IN 2020

In the year 2020, the major task was the diversification of the company's investment. The Company invested a total of TZS 3,892,622,000 in Government Securities (bonds) in the course of diversifying its sources of income and providing cash flow certainty. The Company disposed of shares worth TZS 3,600,000,000 as part of the diversification strategy. Investment operations during the year were undertaken per the Company's Investment Policy. The Company's investment portfolio comprises government securities, corporate bonds, bank deposits, equity stock, and investment in properties.

The distribution of the investment portfolio of the Company as at 31 December 2020 is as summarized in the table below:

Investment category	31/12/2020 (TZS'000')	Port%	31/12/2019 (TZS'000')	Port%	Change (TZS '000)	% Change
Equities	14,848,114	51.52	19,364,888	65.58	(4,516,774)	(23)
Government securities	13,578,175	47.12	9,678,019	32.77	3,900,156	40
Deposits with financial institutions	155,000	0.54	210,415	0.71	(55,415)	(26)
Corporate Bonds	10,000	0.03	30,336	0.10	(20,336)	(67)
Property	221,347	0.77	239,820	0.81	(18,473)	(8)
Others	5,500	0.02	5,500	0.02	-	-
Total investments	**28,818,136**		**29,528,978**		**(710,842)**	**(2)**

Looking ahead, we are confident that we will meet the remaining goals in our plan in 2021 and deliver growth of profitability. While the market remains uncertain, our performance to date is firm, leaving us well-positioned to invest in our competitiveness. We remain comfortable with consensus profit expectations for 2021.

COMPANY PLAN 2020-2022

In efforts to achieve the Company's Plan 2022 of diversifying its revenue streams, is expecting to have a Bond Trading desk and setting up a Fund Management unit

While driving growth, we will also continue to retain our focus on best in good governance and risk management. Lastly, I take this opportunity to express my sincere gratitude to our shareholders, Board of Directors, management, bankers, auditors and investors, for their unyielding dedication, support, and commitment to TCCIA Investment PLC.

Thank you.

....

Peter William Kifunguomali,
Chief Executive Officer.

Date: 12/05/2021

Directors' Report

The directors have pleasure in submitting their report on the financial statements of TCCIA Investment Public Limited Company for the year ended 31 December 2020. The report highlights the company's state of affairs for the year ended 31 December 2020.

1. Incorporation

TCCIA Investment PLC (TICL) is incorporated in Tanzania under the Companies Act 2002 as a public limited liability company. The company is listed on the Dar es Salaam Stock Exchange and is domiciled in the United Republic of Tanzania.

2. Nature of business

The core activities of the company are that of investments management, focusing on investment in equities of listed companies including retail bonds issued by companies which have a proven profitability track record and government securities and investment in warehousing facilities located in strategic areas. In addition, the company encourages the development of a savings culture among its shareholders by means of investing in equities of strong performing companies.

3. Core values and Tagline

Core values:

Accountability, Commitment, Team Work, Trustworthy and Innovation.

Tagline:

Together we are stronger.

4. Vision

The Company's vision is to be a model catalyst for empowering its shareholders, to own and manage businesses.This is achieved through mobilization of financial resources for collective investment in viable economic activities.

5. Mission

To create long term value to our shareholders by providing relatively superior returns guided by safe and sound investment.

6. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new accounting standards as set out in note 1.

The company recorded a net loss after tax for the year ended 31 December 2020 of TZS 475,136,000. Thisrepresented a decrease of 215% from the net profit after tax of the prior year of TZS 409,714,000.

Company revenue increased by 40% from TZS1,787,692,000 in the prior year to TZS 2,507,571,000 for the year ended 31 December 2020.The increase in revenue is attributed to an increase in interest income a result of the board's decision to diversify the company's investments portfolio by disposing off part the shares held by the company and deploying the proceeds into government bonds in 2020.

During the year company had incurred an operating loss of TZS 1,347,870,000 due to disposal of the equity investment as their diversification strategy compared to the loss of TZS 82,120,000 in 2019. refer to note 21.

Directors' Report

7. Share capital

	2020	2019
Authorised	Number of shares	
Ordinary shares (in '000) of TZS 20/- each	5,000,000	5,000,000

	2020	2019	2020	2019
Issued	TZS '000	TZS '000	Number of shares	
Ordinary shares of TZS 20/-	1,459,153	1,459,153	72,957,660	72,957,660
Share premium	708,799	708,799	-	-
	2,167,952	**2,167,952**	**72,957,660**	**72,957,660**

There have been no changes to the authorised or issued share capital during the year under review.

8. Dividends

The board of directors recommends payment of a final dividend of TZS 6 per share, amounting to TZS438,464,518 (2019: TZS 6 per share, amounting to TZS 438,464,518).

9. Strategic objectives

Increase shareholder's value; with the objective of enhancing the ability of the company to consistently meet and manage shareholders' expectations. The strategic results are an increased value of shares and company growth. The company targets to form subsidiary companies and diversify its portfolio from traditional investment avenues.

Investment excellence; aiming at improving the net worth of the company through enhancing resources mobilization, increase investment income. The company plans to have investment income increased by 22% annually.

Operational excellence; with the aim of improving internal processes using dedicated staff and appropriate technology in order to enhance operational efficiency; improve internal customer service delivery; enhance institutional compliance; enhance corporate culture creation; enhance staff welfare, and improve staff competence and productivity. The Company plans to achieve an excellence operational ratio of 95 percent.

10. Directorate

The directors in office at the date of this report are as follows:

Directors	**Position**	**Qualification**	**Nationality**
Fortunatus Makore Magambo	Chairperson	Economist	Tanzanian
Prof. Lucian A. Msambichaka	Member	Economist	Tanzanian
Joseph Matanga Kahungwa	Member	Accountant	Tanzanian
Magdalene N.E. Mkocha	Member	Agric/Economist	Tanzanian
Nathan E. Mnyawami	Member	Economist	Tanzanian
Ernest R. Khisombi	Member	Procurement and Supplies	Tanzanian
Paul F. Koyi	Member	IT	Tanzanian

There have been no changes to the directorate for the year under review.

11. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' Report

12. Secretary

The company secretary as at 31 December 2020 and during the year was Peter William Kifunguomali.

13. Political and charitable donations

As a matter of policy, the Company does not make political contributions.

In recognizing the potential of education, for period of income 2020 the company donated a total of TZS 5,000,000 to Mkomazi Secondary Schools to address the issue of inadequate schools desks and chairs.

14. Risk management and internal control

The Board accepts final responsibility for risk management and internal control system of the company. The management ensures that adequate financial and operational controls systems are maintained on an ongoing basis. The objective is to provide reasonable assurance on the following

- Safeguarding of shareholders interest and the company's assets;
- Effectiveness and efficiency of operations;
- Compliance with applicable laws and regulations;
- Reliability of accounting records and financial information;
- Sustainability of the company's operations under normal and adverse conditions; and
- Responsive behaviour towards key stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's system is designed to provide the directors with reasonable assurance that procedures in place are operating effectively. The directors have assessed the internal control system and generally satisfied as explained below.

The company has various policies through which it manages its risks. On the other hand, the company has an outsourced internal audit function which reports to the board audit committee through which the board monitors and directs corrective measures on the internal control environment.

Risk and internal control assessment

The company invests in the following principal financial assets and liabilities. Financial assets include treasury bonds, corporate bonds, loans, fixed deposits and equities. Financial liabilities include trade and other payables. The main purpose of these financial assets is to generate income to the company.

The main financial risks facing the company include: -

Interest risk

Interest risk is a market risk emanating from changes in value of assets of the company as a result of adverse price movement for investments held by the company. Investment in long term government securities with fixed income is one way of mitigating interest rate risk in volatile markets.

Credit risk

Credit risk is the risk that the counterpart to any financial transaction may not be able to fulfill its obligation on due date. In order to minimize credit risk, the company has developed investment policy in investments appraisals and approval processes are in place to mitigate this risk.

Liquidity risk

Directors' Report

Liquidity risk is the risk of failing to meet obligations when they fall due. Liquidity risk may also arise from inability to sell financial assets quickly at close to its fair value. The company is exposed to daily calls on its available cash for dividend payment and other administrative expenses. The company manages liquidity risk by maintaining a pool of short-term placements with banks which is adequate to meet its obligations for investment commitments and administrative expenditure. The company carries out monthly cash flow projection. Main sources of funds include dividends from invested companies and income from investments.

Operational Risk

Operational risks result from inadequate systems, management failures, ineffective internal control processes, fraud, theft and human errors. The company addresses this risk inter alia through ensuring existence of sound internal control system. Main instruments of the internal control system include operational and procedural manuals, policies and guidelines, and outsource internal audit function. Managing operational risks in the company is an integral part of day to day operations by the management. The management, outsource internal audit, audit committee and the board of directors, are actively involved in monitoring process.

Human Resources Risk

The nature of the activities of the company calls for a multidisciplinary team of staff with specialized knowledge in the key operational areas. The lean staff structure of the company poses a high staff turnover. In order to address this risk, the company ensures that it invests in capacity building for its staff members, revises its compensation structure periodically.

Reputational Risk

The company has an obligation to ensure that it performs its functions and maintains its reputation as among listed companies operating in applicable laws and regulations. In this endeavour, the board and management ensure that they fulfill their fiduciary responsibilities by applying principles of sound corporate governance and adopting best practices.

15. Corporate governance

The board assumes overall responsibility for the company. This includes, among other things, identification of risks which may negatively impact on the company's operations, considering and monitoring major investment decisions. The board is also responsible for ensuring that comprehensive and effective internal control policies and procedures are in place, effective applied and are in compliance with acceptable corporate good governance principles.

During the year under review the board met seven times, of which four were ordinary meetings and three extra ordinary/special meetings held for the purpose of attending special activities which required the Board's attention. The board has delegated the day to day management of the company's operations to the Chief Executive Officer who is supported by the management team. The management is invited to attend board meetings and facilitate the effective control of the company's activities. The extra-ordinary meetings included discussion and approval of the annual plan and budget, annual audited accounts.

Board of directors and attendance in 2020

Directors	Position	Total Meetings	No. of Meetings Attended
Fortunatus Magambo	Chairman	7	7
Prof.Lucian A.Msambichaka	Member	7	7
Joseph M. Kahungwa	Member	7	7
Magdalene N. E. Mkocha	Member	7	7

Directors' Report

Nathan E. Mnyawami	Member	7	6
Paul F. Koyi	Member	7	6
Ernest R. Khisombi	Member	7	7

All the directors are considered by the board to be independent both in character, judgment, and free of relationships or circumstances, which could affect their judgment. All the directors are considered to have behaved and acted ethically in the discharge of their fiduciary responsibilities.

The board is aware and committed to the principles of effective corporate good governance. During the year under review, the board utilized two board committees to enable the board to meet high standards of good corporate governance and also take timely decisions in respect of company matters. The two committees were:

- The Investment Committee, which is composed of three Members.
- The Audit and Risk Management Committee, which is composed of three Members.

The Members of the Investment Committee were:

Prof. Lucian A. Msambichaka	Chairman
Nathan E. Mnyawami	Member
Paul F. Koyi	Member

The Investment committee held four meetings to discuss the quarterly performance reports and investment proposal before the presentation of the reports to the board for discussion and decision.

The Members of the Audit and Risk Management Committee were:

Joseph M. Kahungwa	Chairman
Ernest R. Khisombi	Member
Magdalene N. E. Mkocha	Member

The committee met seven times to discuss and adopt the quarterly Internal audit reports which were prepared bythe Internal auditor and also the draft annual accounts.

MAIN ACTIVITIES PERFORMED BY THE BOARD DURING 2020

Apart from performing the normal activities of supervising the company’s operations the board also dealt with the following major issues:

- Updating the company’s shareholders’ register;
- Reviewing the company’s quarterly internal audit reports;
- Reviewing various ways for reduction of operating costs and adding up income;
- Preparation and approval of the annual plan and budget for 2021.
- Analysing various investment reports and searching for new business ventures.

Directors' Report

16. Directors' interests in shares

As at 31 December 2020, the directors of the company held direct and indirect beneficial interests of its issued ordinary shares, as set out below.

Interests in shares

Directors	2020 Direct	2019 Direct	2020 Indirect	2019 Indirect
Fortunatus Makore Magambo and Ernest R. Khisombi**	-	-	28,100,300	28,100,300
Prof. Lucian A. Msambichaka	487,580	487,580	-	-
Joseph Matanga Kahungwa	40,600	40,600	-	-
Magdalene N.E. Mkocha	102,363	102,363	-	-
Nathan E. Mnyawami	19,675	19,675	-	-
Paul F. Koyi**	-	-	830,498	830,498
	650,218	**650,218**	**28,930,798**	**28,930,798**

**Paul F. Koyi: He served the Board during 2020 in his capacity of TCCIA President represented TCCIA Headquarters and Regional Offices who hold a total of 830,213 shares.

**Fortunatus Magambo and Ernest R. Khisombi both represent the Public Service Social Security Fund which holds a total of 28,100,300 shares

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

17. Compliance with laws and regulation

The company has continued to maintain good relationship with its key stakeholders. The company also maintained good relationships with Tanzania Revenue Authority, Capital Market and Securities, Dar es Salaam Stock Exchange, Brokers and the commercial banks. During the year, the company complied with all regulations and guidelines issued by various regulatory authorities.

18. Reliability of accounting records and financial statements

The Company has a competent staff in Accounts and Finance. Accordingly, proper books of accounts have been maintained and the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

19. The company's capital structure

The Company's authorized share capital is TZS 100,000,000,000 divided into shares with a par value of TZS 20 as of December 31, 2020. The Paid-up capital of the Company consists only ordinary shares at the end of December 31, 2020, the paid-up capital amounted to TZS 2.16 billion.

	Company	
	2020 TZS '000	2019 TZS '000
Authorized		
5,000,000,000 ordinary shares of TZS 20 each	100,000,000	100,000,000
Issued, subscribed and paid up		
72,957,660 ordinary shares of TZS 20 each	1,459,153	1,459,153
	101,459,153	**101,459,153**

Directors' Report

Shareholding Structure	**Percentage Share**	**TZS '000**
PSSSF	39	562,006
Mkombozi Fishing & Marine Transport Ltd	6	84,300
Abbasi Exports Ltd	2	33,720
Christopher Mwita Gachuma	2	28,100
Fayaz Feroz Rashid	2	24,728
Nimrod Elireheemah Mkono	2	22,480
Other Shareholders (less 1.5)	48	703,820
	101	**1,459,154**

20. Stock exchange information

The Company is listed on the Dar es Salaam Stock Exchange. The share price at 31 December 2020 was TZS 350 (December 2019: TZS 385) and market capitalization was TZS 25,580,000,000 (December 2019: TZS 28,130,000,000).

21. Sustainable business

The Directors' discussions on sustainable growth do not focus solely on financial metrics. The Board considers it critical that we monitor and respond to broader issues of sustainability, including climate change and responsible sourcing so that our business is well placed to succeed in the years ahead. We also believe in promoting sustainable environment-friendly initiatives undertaking through avoiding financing/project, business(es), which may be a threat to the environment despite their financial viability; Encourages the employees and other stakeholders to develop, practice & promote for developing & using Environment-friendly Technology; Encourages TICL to embrace E-Commerce; Develops the attitude among the employees to motivate, encourage the stakeholders through initializations of appropriate in house environmental risk management system through the introduction of appropriate technology; Promotes awareness programs for environment-friendly technology through the practice of Corporate Social Responsibilities (CSR).

22. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non- compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company. The impact of COVID-19 has been taken into consideration in the going concern assessment.

23. Employee's welfare

The Company has the following employees' welfare arrangements:

Training
The company offers sponsorship to its employees in short-term courses within and outside the country on various disciplines depending on the corporate needs and financial resources available. The Company supports also employees' own initiatives for long-term training.

Staff loans and advances

The company provides salary advances to enable them to overcome financial needs and promote their economic development. Salary advances are based on specific terms and conditions approved by the Board and are issued in accordance with the annual approved budget.

Directors' Report

Medical facilities

The company entered into a contract with National Health Insurance Fund to provide medical insurance scheme for its employees and their immediate family dependents.

Financial assistance

The company operates a policy to assist in the event of death of an employee or immediate family dependant.

Retirement benefits

The company pays contributions to the publicly administered pension plans which include the Public Servant Social Security Fund (PSSSF) and National Social Security Fund (NSSF) on a mandatory basis on behalf of all employees.

Persons with disabilities

The company gives equal opportunities to disabled persons for vacancies they are able to fill.

24. Gender parity

The company is an equal opportunity employer, as it has no discriminatory policies or practices.

At 31 December 2020. The company had 4 employees (2019: 6); out of which 2 were male and 2 were female (2019: male 4, female 2).

25. Future development activities

Since 2018 the directors decided to start gradually diversifying the company's investment portfolio by investing in other products that have hitherto not been covered. Since the company commenced operations in October 2005, more than 95% of the investment portfolio was in the form of equities of listed companies. The Board decided to target investment in fixed income financial instruments (government securities, retail bonds, and interest-earning fixed bank deposits). The directors believe that investment in these incomes earning financial instruments offers a good trade-off especially when the equity market is less attractive as is the case now and the return on these investments is readily predictable. The board has therefore decided to continue on this path, specifically because the return is more attractive and predictable than in the case of dividend income.

Lastly, the board is also exploring other business opportunities including import and export business, livestock business, and other financial products such as bond trading.

26. Safeguarding of company's assets

The directors are responsible for safeguarding the assets of the company. The board has approved various policies and regulations including but not limited to financial regulations, and investments policy in order to strengthen the internal control environment. These are reviewed from time to time to align with the dynamics of the operating environment. The directors are pleased to report that during the year under review no material incidences of fraud were encountered.

27. Related party transactions

All related party transactions and balances are disclosed in Note 30 to the financial statements.

Directors' Report

28. Auditors

The company's auditors, Crowe Tanzania, have indicated their willingness to continue in office and are eligible for re-appointment to audit the financial statements for the financial year ending 31st December,2021. A separate paper will be presented before the meeting for discussion and decision by the General Meeting

The financial statements set out on pages 20 to 59 which have been prepared on the going concern basis, were approved by the board of directors on date of this report, and were signed on its behalf by:

Fortunatus Makore Magambo	**Prof Lucian Msambichaka**
Chairman	**Director**
Date: 12/05/2021	**Date: 12/05/2021**

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 2002 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2021 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 17 to 19.

The financial statements set out on pages 20 to 59, which have been prepared on the going concern basis, were approved by the board of directors on date of this statement and were signed on their behalf by:

Fortunatus Makore Magambo	**Prof Lucian Msambichaka**
Chairman	**Director**
Date: 12/05/2021	**Date: 12/05/2021**

Declaration of the Head of Finance/Accounting

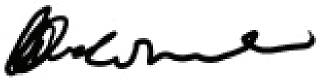
Declaration of the Head of Finance/Accounting of TCCIA Investment Public Limited Company

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 the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as stated under the Directors' Responsibilities Statement on an earlier page.

I, **Joel Chikoma**, being the Head of Finance/Accounting of TCCIA Investment Public Limited Company hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2020 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 TCCIA Investment Public Limited Company as on that date and that they have been prepared based on properly maintained financial records



Signed by: Joel Chikoma
Position: Head of Finance and Investment
NBAA Membership No.: ACPA 3285

Date: 12/05/2021

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Report of the Independent Auditor

To the shareholders of TCCIA Investment Public Limited Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TCCIA Investment Public Limited Company set out on pages 20 to 59, which comprise the statement of financial position as at 31 December 2020, 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 financial statements present fairly, in all material respects, the financial position of TCCIA Investment Public Limited Company as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements sectionof our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in the United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in the United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming Our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Directors' as required by the Companies Act 2002 of United Republic of Tanzania, which we obtained prior to the date of this report. Other information 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 an audit opinion or any form of assurance conclusion thereon.

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

Report of the Independent Auditor

To the shareholders of TCCIA Investment Public Limited Company

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the 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 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.

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement 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 the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report of the Independent Auditor

To the shareholders of TCCIA Investment Public Limited Company.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 inaccordance with the Companies Act 2002 and for no other purposes.

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

- 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;
- In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books;
- the company's statement of financial position and the statement of profit or loss and other comprehensive income are in agreement with the books of account;
- the directors' report is consistent with the financial statements; and
- information specified by law regarding directors' remuneration and transactions with the company is disclosed.

CPA Christopher Msuya
For and on behalf of Crowe Tanzania
Certified Public Accountants in Public PracticeDar
es Salaam

Date: 14/05/2021

Statement of Financial Position as at 31 December 2020

	Note(s)	2020 TZS '000	2019 TZS '000
Assets			
Non-Current Assets			
Property, plant and equipment	4	26,307	21,456
Investment property	5	221,347	239,820
Right of use asset	6	42,316	-
Equity investments	12	14,848,114	19,364,888
Investment in government securities	7	13,578,175	9,677,922
Deferred tax	8	-	1,605
Investments in retail bonds	9	-	30,336
Other investments	10	-	5,500
		28,716,259	**29,341,527**
Current Assets			
Trade and other receivables	11	571,177	406,964
Current tax receivable		273,350	340,051
Investment in retail bonds	9	10,000	-
Cash and cash equivalents	13	206,233	224,314
		1,060,760	**971,329**
Total Assets		**29,777,019**	**30,312,856**
Equity and Liabilities			
Equity			
Share capital	14	2,167,952	2,167,952
Total Reserves		5,430,850	9,020,625
Retained Income		18,972,207	15,907,804
		26,571,009	**27,096,381**
Liabilities			
Non-Current Liabilities			
Borrowings	15	2,606,193	2,789,285
Deferred tax	8	3,256	-
		2,609,449	**2,789,285**
Current Liabilities			
Trade and other payables	17	151,075	44,289
Borrowings	15	183,092	210,715
Dividend payable	18	223,301	172,186
Lease liability	16	39,093	-
		596,561	**427,190**
Total Liabilities		**3,206,010**	**3,216,475**
Total Equity and Liabilities		**29,777,019**	**30,312,856**

Statement of Financial Position as at 31 December 2020

	Note(s)	2020 TZS '000	2019 TZS '000

The financial statements and the notes on pages 20 to 59, were approved by the board of directors on the date ofthis report and were signed on its behalf by:

Fortunatus Makore Magambo
Chairman

Date:12-05-2021

Prof Lucian Msambichaka
Director

Date:12-05-2021

The accounting policies on pages 25 to 39 and the notes on pages 40 to 59 form an integral part of the financial statements.

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2020 TZS '000	2019 TZS '000
Income	19	2,507,571	1,787,692
Other operating income	20	13,360	-
Other operating gains (losses)	21	(1,347,870)	(88,410)
Other operating expenses	22	(1,060,243)	(1,061,732)
Operating profit	22	**112,818**	**637,550**
Finance costs	25	(466,557)	(16,638)
(Loss) profit before taxation		**(353,739)**	**620,912**
Taxation	26	(121,397)	(211,198)
(Loss) profit for the year		**(475,136)**	**409,714**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains (losses) on valuation of investments in equity instruments		388,225	(1,688,114)
Total comprehensive loss for the year		**(86,911)**	**(1,278,400)**
Basic and diluted earning per share		**(6.51)**	**5.62**

The accounting policies on pages 25 to 39 and the notes on pages 40 to 59 form an integral part of the financial statements.

Statement of Changes in Equity

	Share capital TZS '000	Share premium TZS '000	Total share capital TZS '000	Reserve for valuation of investments TZS '000	IPO Cost TZS '000	Retained Income TZS '000	Total equity TZS '000
Balance at 01 January 2019	**1,459,153**	**708,799**	**2,167,952**	**(2,030,139)**	**(629,662)**	**28,866,630**	**28,374,781**
Profit for the year	-	-	-	-	-	409,714	409,714
Other comprehensive income	-	-	-	11,515,426	-	-	11,515,426
Total comprehensive income for the year	**-**	**-**	**-**	**11,515,426**	**-**	**409,714**	**11,925,140**
Transfer of reserve upon disposal of equity investments at FVOCI	-	-	-	165,000	-	(13,368,540)	(13,203,540)
Total contributions	**-**	**-**	**-**	**165,000**	**-**	**(13,368,540)**	**(13,203,540)**
Balance at 01 January 2020	**1,459,153**	**708,799**	**2,167,952**	**9,650,287**	**(629,662)**	**15,907,807**	**27,096,384**
Loss for the year	-	-	-	-	-	(475,136)	(475,136)
Other comprehensive income	-	-	-	388,225	-	-	388,225
Total comprehensive Loss for the year	**-**	**-**	**-**	**388,225**	**-**	**(475,136)**	**(86,911)**
Transfer of reserve upon disposal of equity investments at FVOCI	-	-	-	(3,978,000)	-	3,978,000	-
Dividends	-	-	-	-	-	(438,464)	(438,464)
Total contributions	**-**	**-**	**-**	**(3,978,000)**	**-**	**3,539,536**	**(438,464)**
Balance at 31 December 2020	**1,459,153**	**708,799**	**2,167,952**	**6,060,512**	**(629,662)**	**18,972,207**	**26,571,009**
Note(s)	14	14	14				

The accounting policies on pages 25 to 39 and the notes on pages 40 to 59 form an integral part of the financial statements.

Statement of Cash Flows

	Note(s)	2020 TZS '000	2019 TZS '000
Cash flows from operating activities			
Cash generated from operations	27	1,461,036	480,238
Finance costs		(466,557)	(16,638)
Tax paid	28	(49,835)	(50,743)
Net cash from operating activities		**944,644**	**412,857**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(11,600)	(3,960)
Sale of property, plant and equipment	4	-	1,588
Acquisition of right of use asset	6	(74,866)	-
Purchase of investments in government securities		4,904,999	1,935,000
Movement in equity investments		(3,900,253)	(5,428,683)
Movement in retail bonds investments		20,336	28,370
Loss on disposal of equity investments		(1,342,370)	(82,120)
Net cash from investing activities		**(403,754)**	**(3,549,805)**
Cash flows from financing activities			
Movement in borrowings		(210,715)	3,000,000
Movement in lease liability		39,093	-
Dividends paid	29	(387,349)	(289,587)
Net cash from financing activities		**(558,971)**	**2,710,413**
Total cash movement for the year		**(18,081)**	**(426,535)**
Cash at the beginning of the year		224,314	650,849
Total cash at end of the year	13	**206,233**	**224,314**

The accounting policies on pages 25 to 39 and the notes on pages 40 to 59 form an integral part of the financial statements.

Accounting Policies

Corporate information

TCCIA Investment Public Limited Company is a public limited company incorporated and domiciled in United Republic of Tanzania.

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on .

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and theCompanies Act 2002.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Accounting Policies

1.3 Property, plant and equipment (continued)

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Percentage
Furniture and fixtures	Diminishing balance	12.5%
Office equipment	Diminishing balance	12.5%
IT equipment	Diminishing balance	37.5%
Printers	Diminishing balance	12.5%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:Financial

assets which are equity instruments:

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

Accounting Policies

Financial instruments (continued)

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or

Financial liabilities:

- Amortised cost

Note 34 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Accounting Policies

Financial instruments (continued)

Debt instruments

Classification

The company holds certain investments in government and retail bonds which are classified as subsequently measured at amortised (note 9).

They have been classified in this manner because the contractual terms of these debt instruments give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the objectives of the company's business model is achieved by collecting the contractual cash flows on these instruments.

Recognition and measurement

These debt instruments are recognised when the company becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortized.
The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 19).

The application of the effective interest method to calculate interest income on debt instruments at amortized is dependent on the credit risk of the instrument as follows:

- The effective interest rate is applied to the gross carrying amount of the instrument, provided the instrument is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a debt instrument is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the instrument, even if it is no longer credit-impaired.
- If a debt instrument was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the instrument in the determination of interest. If, in subsequent periods, the instrument is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on all debt instruments measured at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a debt instrument has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Accounting Policies

Financial instruments (continued)

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a debt instrument being credit impaired at the reporting date or of an actual default occurring.

Definition of default

For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterpart, or if internal or external information indicates that the counterpart is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the company considers that default has occurred when an installment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the instrument at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Debt instruments are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the instrument, external credit ratings (if available), industry of counterpart etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the company has measured the loss allowance for a debt instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date.

An impairment gain or loss is recognised for these debt instruments in profit or loss. However, there is no loss allowance account. Instead, the loss allowance is recognised in other comprehensive income and accumulated in equity in the reserve for valuation of investments, and does not reduce the carrying amount of the instrument. The impairment loss is included in other operating expenses in profit or loss as a movement in credit losses.

Credit risk

Details of credit risk related to debt instruments at fair value through other comprehensive income are included in the specific notes and the financial instruments and risk management (note 34).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Accounting Policies

Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 11).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Accounting Policies

Financial instruments (continued)

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 11) and the financial instruments and risk management note (note 34).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Accounting Policies

Financial instruments (continued)

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 12. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the company may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments), depending on their classification. Details of the valuation policies and processes are presented in note 12.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 21).

Dividends received on equity investments are recognised in profit or loss when the company's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note).

Accounting Policies

Financial instruments (continued)

Trade and other payables Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financialliabilities subsequently measured at amortised cost.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 25).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 34 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition Financial

assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting Policies

Financial instruments (continued)

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.5 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period,except to the extent that the tax arises from:
- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to itemsthat are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are creditedor charged, in the same or a different period, directly in equity.

1.6 Leases

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

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.
In circumstances where the determination of whether the contract is or contains a lease requires significant judgment, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantee;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Accounting Policies

1.6 Provisions and contingencies (continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right of use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right of use asset

Right of use asset are presented as a separate line item on the Statement of Financial Position.Lease

payments included in the measurement of the lease liability comprise the following:
- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset orthe site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

When the company incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position.

Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

As an exception, when the underlying assets are land and buildings. the company adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the company. The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the company expects to exercise a purchase option, the related right Of use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Leases are classified in accordance with the provisions of IFRS 16. Leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the company's incremental borrowing rate.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Accounting Policies

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss doesnot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

Accounting Policies

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to the National Social Security Fund (NSSF) and Public Services Social Security Fund (PSSSF), which are publicly, administered pension plans, on a mandatory basis and are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.10 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised andmeasured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated forterminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting toimplement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognized separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and

Accounting Policies

1.10 Provisions and contingencies (continued)

- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 31.

1.11 Income

The company recognises revenue from the following major sources:

- Interest from government securities
- Interest from retail bonds
- Interest from fixed deposit
- Dividend from equity investments

1.12 Dividend distribution

Dividend distribution to shareholders is recognized as a liability in the company's financial statements in the periodin which the dividends are approved by the company's shareholders.

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

2. Earnings per share

The calculation of the basic earnings per share was based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year, calculated as follows:.

Company's

	2020	2019
Net profit/(loss) attributable to shareholders	(475,136)	409,714
Weighted average number of shares	72,957,660	72,957,660
Basic and diluted earnings per share	(6)	6

There being no dilutive or dilutive potential share options, the basic and diluted earnings per share are the same.

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

Temporary exceptions have been created by the IASB concerning the application of specific hedge accounting requirements as a result of the interest rate benchmark reform. These exceptions apply only to those hedging relationships which are directly affected by the reform, being those where the reform gives rise to uncertainties about:

(a) the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or

(b) the timing or the amount of interest rate benchmark based cash flows of the hedged item or of the hedginginstrument.

The exceptions are as follows:

(a) When determining whether a forecast transaction is highly probable, it shall be assumed that the interest ratebenchmark on which the hedged cash flows are based is not altered as a result of the reform.

(b) When assessing the economic relationship between the hedged item and the hedging instrument, entities shall, in their prospective assessments, assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the reform.

(c) Entities applying IAS 39 for hedge accounting are not required to undertake the IAS 39 retrospective assessment for hedging relationships directly affected by the reform.

(d) For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at inception of such hedging relationships.

Entities shall cease applying the exceptions when the uncertainty arising from the reform is no longer present orwhen the hedging relationship is discontinued.

The effective date of the amendment is for years beginning on or after 01 January 2020. The company

has adopted the amendment for the first time in the 2020 financial statements.

3. New Standards and Interpretations (continued) The

impact of the amendment is not material. Presentation of

Financial Statements - Disclosure initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020. The

company has adopted the amendment for the first time in the 2020 financial statements.The

impact of the amendment is not material.

Accounting Policies, Changes in Accounting Estimates and Errors - Disclosure initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020. The

company has adopted the amendment for the first time in the 2020 financial statements.The

impact of the amendment is not material.

Notes to the Financial Statements

3. New Standards and Interpretations (continued)

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2021 or later periods:

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company expects to adopt the amendment for the first time in the 2023 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

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Annual Improvement to IFRS Standards 2018-2020 - Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the amendment is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Annual Improvement to IFRS Standards 2018-2020 - Amendments to IFRS 1

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the amendment is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Notes to the Financial Statements

3. New Standards and Interpretations (continued)

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

The effective date of the amendment is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Onerous Contracts Cost of Fulfilling a Contract - Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognized as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the amendment is for years beginning on or after 01 January 2022.

The company expects to adopt the amendment for the first time in the 2022 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Interest Rate Benchmark Reform Phase 2 - Amendments to IFRS 7

The amendment sets out additional disclosure requirements related to interest rate benchmark reform.The

effective date of the amendment is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Interest Rate Benchmark Reform Phase 2 - Amendments to IFRS 9

When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the amendment is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Notes to the Financial Statements

3. New Standards and Interpretations (continued)

Interest Rate Benchmark Reform Phase 2 - Amendments to IFRS 16

If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment. The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the amendment is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Interest Rate Benchmark Reform Phase 2 - Amendments to IAS 39

Temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of financial items as hedged items have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the amendment is for years beginning on or after 01 January 2021.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

COVID19 Related Rent Concessions - Amendment to IFRS 16

The COVID19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for it were not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID19 pandemic and only if:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payment affects only payments originally due on or before 30 June 2021 and
- there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after 01 June 2020.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

4. Property, plant and equipment Summary

of property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	20,500	(10,855)	9,645	20,500	(9,477)	11,023
Office equipment	12,617	(5,749)	6,868	9,302	(4,846)	4,456
IT equipment	29,110	(20,411)	8,699	20,825	(16,099)	4,726
Printers	3,315	(2,220)	1,095	3,315	(2,064)	1,251
Total	**65,542**	**(39,235)**	**26,307**	**53,942**	**(32,486)**	**21,456**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	11,023	-	(1,378)	9,645
Office equipment	4,456	3,315	(903)	6,868
IT equipment	4,726	8,285	(4,312)	8,699
Printers	1,251	-	(156)	1,095
	21,456	**11,600**	**(6,749)**	**26,307**

5. Investment property

	2020			2019		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	221,347	-	221,347	239,820	-	239,820

Reconciliation of investment property - 2020

	Opening balance	Impairments	Total
Investment property	239,820	(18,473)	221,347

	2020 TZS '000	2019 TZS '000

5. Investment property (continued)

Details of property

Mtwara Land Plot

	2020	2019
Cost	212,112	212,112

Dodoma Land Plot

	2020	2019
Cost	9,235	9,235

Mererani Mining Block

	2020	2019
Cost	18,473	18,473
Impairment	(18,473)	-
	-	**18,473**

The company owns 2 pieces of land namely;

- Plot No 3 Block A, Mtepwezi Mtwara Municipality with title number 15772,
- Plot No 4 Block E Nzuguni Nanenane Dodoma Municipality the land was previous allocated to the company by TASO no title deed yet provided for the Dodoma plot
- The company had mineral right for Gemstones excl Kimberlic Diamond at Mererani in Simanjiro District with application number HQ-P28133 for which during the year the board resolved to impair it after the assessment made.

6. Right of use asset

	2020	2019
Cost		
Additions	74,866	-
Accumulated depreciation		
Charge for the year	(32,550)	-
Carrying value		
Additions	74,866	-
Charge for the year	(32,550)	-
	42,316	**-**

Depreciation charge on the right of use asset is at straight-line over the 2 years lease term. The depreciation charge for the period ended 31 December 2020 has been accounted for under the statement of profit or loss and other comprehensive income.

Class	Recognition	Depreciation	Accumulated depreciation	Carrying value
Office space	74,866	32,550	(32,550)	42,316

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

6. Right of use asset (continued)

Right of use asset

	2020 TZS '000	2019 TZS '000
Non-current assets	42,316	-

7. Investment in government securities

	2020 TZS '000	2019 TZS '000
Held to maturity		
Government securities	13,578,175	9,677,922
Non-current assets		
Held to maturity	13,578,175	9,677,922

The Company has invested in government securities that are held at maturity designated at amortised cost. Interest on re capitalisation bond is received semi-annually at variable rate, a maximum of 15.49% and minimum of 13.5%.

The company has government securities with face value of TZS 14,110.2 million (2019: TZS 10,056.7 million) with variable maturity of maximum 20 years and minimum 15 years. 6 government bonds are pledge as securities to borrowings advanced by CRDB Bank as disclosed in note 15.

The company has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value tocost or amortised cost during the current or prior year

8. Deferred tax

Deferred tax liability

	2020 TZS '000	2019 TZS '000
Property plant and equipment	(3,256)	1,605

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the lawallows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2020 TZS '000	2019 TZS '000
Deferred tax liability	(3,256)	1,605

Reconciliation of deferred tax asset / (liability)

	2020 TZS '000	2019 TZS '000
At beginning of year	1,605	170,792
Taxable / (deductible) temporary difference movement on tangible fixed assets	(171)	260
Derecognition of deferred tax asset unrelieved loss that is no Longer probable to be utilised	-	(170,792)
Taxable / (deductible) temporary difference on provisions	(2,257)	2,257
Taxable / (deductible) temporary difference movement on amortization	(1,627)	(912)
Increases (decrease) in impact of IFRS 16	(806)	-
	(3,256)	**1,605**

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

9. Investments in retail bonds

The company purchased a 7 year retail bond valued at TZS 10 million issued by Exim Bank (Tanzania) Limited:

The company had purchased a 5 year retail bond valued at TZS 144,000,000 issue by PTA Bank at an semiannual interest rate and redemption of the face value. These retail bonds with PTA Bank matured during the year.

Carrying value	**2020 TZS'000**	**2019 TZS'000**
Trade and Development Bank (PTA Bank)	-	20,336
Exim Bank (Tanzania) Limited	10,000	10,000
	10,000	**30,336**

10. Other investments

In 2013, the company invested in Mwanza Community Bank PLC which is unlisted equity share where it holds 10,000 ordinary shares, with the price of TZS 550 per share. The bank has struggled to raise enough funds to start operations and the company do not expect to recover the investment made and therefore it was impaired duringthe year.

11. Trade and other receivables

Financial instruments:		
Accrued income	551,100	371,378
Deposits	5,184	5,184
Other receivables	5,500	-
Non-financial instruments:		
Employee costs in advance	8,200	18,636
Prepayments	1,193	11,766
Total trade and other receivables	**571,177**	**406,964**

Split between non-current and current portions

Current assets	571,177	406,964

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	561,784	376,562
Non-financial instruments	9,393	30,402
	571,177	**406,964**

Notes to the Financial Statements

	2020 TZS'000	2019 TZS '000
12. Equity investment at FVOCI		
Investments held by the company which are measured at fair value, are as follows:		
Equity investments at fair value through other comprehensive income	14,848,114	19,364,888
Equity investments at fair value through other comprehensive income:		
Quoted shares	14,848,114	19,364,888
	14,848,114	**19,364,888**
Split between non-current and current portions		
Non-current assets	14,848,114	19,364,888

Equity instruments at fair value through other comprehensive income

Certain investments in equity instruments have been designated, at initial recognition, as at fair value through other comprehensive income. The reason for this designation as opposed to fair value through profit or loss, is to avoid the effect of volatilities in the fair values of the investments from impacting profit or loss.

The specific investments which are measured at fair value through other comprehensive income are as follows:

Investments held at reporting date

	2020 Fair value	2020 Dividends received	2019 Fair value	2019 Dividends received
CRDB Bank Plc	828,568	72,234	403,661	56,633
Tanzania Breweries Limited (TBL)	2,184,665	32,068	7,089,665	308,953
Tanzania Cigarette Public Limited Company (TCC)	5,130,600	150,900	5,130,600	157,691
Swissport Tanzania Limited	113,598	-	162,283	9,983
Tanga Cement Company Limited (TCCL)	34,135	-	176,696	-
Tanzania Portland Cement Company Limited (TPCC)	220,870	25,621	40,962	-
National Microfinance Bank Plc (NMB)	6,111,813	250,741	6,111,813	163,765
Dar es Salaam Community Bank Limited (DCB)	223,865	4,562	249,208	-
Total	**14,848,114**	**536,126**	**19,364,888**	**697,025**

13. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020 TZS'000	2019 TZS '000
Cash on hand	1,419	1,895
Bank balances	204,814	12,004
Short-term deposits	-	210,415
	206,233	**224,314**

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000
14. Share capital		
Authorised		
5,000,000,000 Ordinary shares of TZS 20/= each	100,000,000	100,000,000
Issued		
72,957,660 ordinary shares of TZS 20/= each	1,459,153	1,459,153
Share premium- 1,865,260 ordinary share at TZS 380/= each	708,799	708,799
	2,167,952	**2,167,952**
15. Borrowings		
Held at amortised cost		
Secured		
Bank loan	2,789,285	3,000,000
Security :Government bonds		
Tenure: 10 years		
Interest on loan: 13.8%		
Repayment :Semi-annual Installments		
Split between non-current and current portions		
Non-current liabilities	2,606,193	2,789,285
Current liabilities	183,092	210,715
	2,789,285	**3,000,000**

As of 31 December 2020 the company has outstanding loan facility with CRDB Bank amounting to TZS 2,789,285,000/=, where the security lien include government treasury bond namely;

Security account number	Face value	Security number
BOTCDSCORU0528	1,500,000,000	106583
BOTCDSCORU0528	75,000,000	186724
BOTCDSCORU0528	75,000,000	186725
BOTCDSCORU0528	145,800,000	4154152
BOTCDSCORU0528	971,200,000	4137256
BOTCDSCORU0528	1,000,000,000	111956

16. Lease liability

The company entered into a lease agreement with a third party for a period of 2 years expiring in January 2022 . The lease has been accounted for in accordance with the provisions of IFRS 16.

Interest is charged on the lease liability at the average incremental borrowing rate of the company i.e. 13.8% per annum. Interest charged for the period ended 31 December 2020 has been accounted for under the statement of profit or loss and other comprehensive income.

Other expenses related to short term leases during the period ended 31 December 2020 are TZS 2,782,000.

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

16. Lease liability (continued)

Class	Recognition	Interest	Payment	Closing balance
Office space	(74,866)	(6,305)	42,078	(39,093)

17. Trade and other payables

	2020	2019
Financial instruments:		
Other payables	151,075	35,262
Accrued leave pay	-	9,027
	151,075	**44,289**

Exposure to liquidity risk

Refer to note 34 Financial instruments and financial risk management for details of liquidity risk exposure and management.

18. Dividend payable

Dividends are not recognised as a liability until they have been ratified at the Annual General Meeting. The Directors propose payment of a dividend of TZS 6 per share, amounting to TZS 438,463,518. In 2019, dividend of TZS 6 per share, amounting to TZS 438,463,518 was approved and paid.

19. Income

	2020	2019
Income from investments		
Interest income	1,971,445	1,053,981
Dividend income	536,126	733,711
	2,507,571	**1,787,692**

20. Other operating income

	2020	2019
Sales of government securities	13,360	-

21. Other operating gains (losses)

	Note	2020	2019
Gains (losses) on disposals			
Property, plant and equipment	4	-	(6,290)
Equity investments		(1,347,870)	(82,120)
		(1,347,870)	**(88,410)**

Gains (losses) on disposals of equity investments

During the year company disposed 450,000 shares of Tanzania Breweries Limited (TBL) with carrying amount of TZS 10,900/= per share at TZS 8,000/= per share for diversification purpose. These shares were purchased in 2012 with cost TZS 2,060/= per share.

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

22. Operating profit (loss)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

	2020 TZS '000	2019 TZS '000
Administration cost	362,790	435,891
Business development cost	66,214	47,207
Employee costs	535,920	512,680
Depreciation	39,299	6,429
Director's fee	33,600	42,000
Auditor's remuneration	22,420	17,525
	1,060,243	**1,061,732**

23. Employee costs

	2020 TZS '000	2019 TZS '000
Employee costs		
Salaries	293,518	361,447
Medical expenses	11,272	9,676
Pension fund : NSSF	10,325	4,646
Workers Compensation fund	3,359	3,604
Skill Development Levy	15,528	17,700
Gratuity expenses	48,465	47,343
Leave pay provision charge	23,600	9,027
Staff travel cost	-	3,319
Short term benefit	106,000	30,594
Pension fund : PSSSF	23,853	10,166
Staff welfare	-	15,158
	535,920	**512,680**

24. Depreciation

	2020 TZS '000	2019 TZS '000
Depreciation		
Property, plant and equipment	6,749	6,429
Right of use asset	32,550	-
Total depreciation		
Depreciation -property, plant and equipment	6,749	6,429
Depreciation -Right of use asset	32,550	-
	39,299	**6,429**

25. Finance costs

	2020 TZS '000	2019 TZS '000
Interest expenses on loan	460,252	-
Facility charges	-	16,638
Interest on lease liability	6,305	-
Total finance costs	**466,557**	**16,638**

Notes to the Financial Statements

26. Taxation

Major components of the tax (income) expense

	2020 TZS '000	2019 TZS '000
Current		
Local income tax - current period	116,536	25,276
Local income tax - recognised in current tax for prior periods	-	16,735
	116,536	**42,011**
Deferred		
Originating and reversing temporary differences	4,861	(1,605)
Arising from prior period adjustments	-	170,792
	4,861	**169,187**
	121,397	**211,198**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2020 TZS '000	2019 TZS '000
Accounting profit (loss)	(353,739)	620,912
Tax at the applicable tax rate of 25% (2019: 25%)	(88,435)	155,228
Tax effect of adjustments on taxable income		
Non final tax on dividend income	(134,032)	(183,428)
Derecognition of deferred tax asset that is no longer probable to be utilised	-	170,792
Permanent difference	343,864	21,692
Adjustment on prior year- deferred tax	-	1,610
Adjustment on prior year corporate tax	-	45,304
	121,397	**211,198**

The normal procedure for agreeing final income tax liability in Tanzania involves the company filing its final income tax returns with the Tanzania Revenue Authority (TRA) followed by the TRA performing their own review of the company's submissions and issuing their notice of income tax basement to the company. The final income tax liability as determined by TRA after their review may differ from the liability determine by the company and procedures are in place for the company to object and appeal such basements. It is common that at a time frame from the company's own submission of its final tax returns and for TRA performing their review and issuing of notice of final tax basement may take several months or years.

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

27. Cash generated from operations

	2020 TZS '000	2019 TZS '000
Profit (loss) before taxation	(353,739)	620,912
Adjustments for:		
Depreciation and amortisation	39,299	6,429
Losses on disposals	1,347,870	88,410
Finance costs	466,557	16,638
Impairments	18,471	-
Changes in working capital:		
Trade and other receivables	(164,213)	(276,074)
Trade and other payables	106,791	23,923
	1,461,036	**480,238**

28. Tax paid

	2020 TZS '000	2019 TZS '000
Balance at beginning of the year	340,051	331,319
Current tax for the year recognised in profit or loss	(116,536)	(42,011)
Balance at end of the year	(273,350)	(340,051)
	(49,835)	**(50,743)**

29. Dividends paid

	2020 TZS '000	2019 TZS '000
Balance at beginning of the year	(172,186)	(461,773)
Dividends	(438,464)	-
Balance at end of the year	223,301	172,186
	(387,349)	**(289,587)**

Dividends are partly from capital profits.

30. Commitments

Lease liability

	2020 TZS '000	2019 TZS '000
Maturity analysis		
- within one year	42,078	-

Liabilities arising from a lease are initially measured on a present value basis of contractual payments associated with lease contract.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

31. Contingencies

The Company is facing a claim from one of its shareholders/former directors for payment for cost of services offered to the Company in 2005. The Board denied his claim and the issue was taken to the arbitration tribunal where it was rejected but the panel awarded him damages. The Board was not satisfied with the award and the matter was petitioned to the High Court (Commercial Division) which on 30th November, 2018, ruled in favour of the Company by setting aside the award. However, the plaintiff has filed an application for revision to the Court of Appeal of Tanzania challenging the dismissal of the case by the High Court of Tanzania (Commercial Division).
Based on legal advice, the directors do not expect the outcome of the actions to have a material effect on the Company financial performances.

The company has requested for tax audit on revision of corporate income tax for the year of income 2009 to 2017, where the the company reported oversight of including the claimed dividend income as taxable income. Since the examination is at early stage. In the view of tax expert, it is not possible to quantify the tax exposure if any.

Apart form the above, directors are not aware of any contingent liability during the year.

32. Related parties

Relationships		
Shareholder with significant influence	Public Services Social Security Fund (PSSSF)	

Related party transactions

	2020	2019
Rent paid to (received from) related parties		
Public Services Social Security Fund (PSSSF)	42,078	-

33. Comparative figures

Where necessary, comparative figures have been reclassified to conform to change in the presentation in the current year:

Notes to the Financial Statements

	2020 TZS '000	2019 TZS '000

34. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2020

	Note(s)	Fair value through other comprehen-sive income - equity instruments	Amortised cost	Total	Fair value
Equity investment	12	14,848,114	-	14,848,114	-
Government securities		-	13,578,175	13,578,175	-
Trade and other receivables	11	-	561,784	561,784	-
Cash and cash equivalents	13	-	206,233	206,233	-
		14,848,114	**14,346,192**	**29,194,306**	**-**

2019

	Note(s)	Fair value through other comprehen-sive income - equity instrument s	Amortised cost	Total	Fair value
Equity investment	12	19,364,888	-	19,364,888	-
Government securities		-	9,678,019	9,678,019	-
Retail bonds		-	30,336	30,336	-
Trade and other receivables	11	-	376,562	376,562	-
Cash and cash equivalents	13	-	224,314	224,314	-
		19,364,888	**10,309,231**	**29,674,119**	**-**

Notes to the Financial Statements

	2020 TZS'000	2019 TZS '000

34. Financial instruments and risk management (continued)

Categories of financial liabilities

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	17	151,078	151,078	-
Borrowings	15	2,789,285	2,789,285	-
Dividend payable	18	223,301	223,301	-
		3,163,664	**3,163,664**	**-**

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	17	44,287	44,287	-
Borrowings	15	3,000,000	3,000,000	-
Dividend payable	18	172,186	172,186	-
		3,216,473	**3,216,473**	**-**

Capital risk management

		2020	2019
Borrowings	15	2,789,285	3,000,000
Trade and other payables	17	151,078	44,287
Total borrowings		**2,940,363**	**3,044,287**
Cash and cash equivalents	13	(206,233)	(224,314)
Net borrowings		**2,734,130**	**2,819,973**
Equity		26,571,007	27,096,382
Gearing ratio		10 %	10 %

	2020 TZS '000	2019 TZS '000

34. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk and
- Liquidity risk

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterpart to a financial instrument fails tomeet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2020			2019		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	11	561,784	-	561,784	376,562	-	376,562
Cash and cash equivalents	13	206,233	-	206,233	224,314	-	224,314
		768,017	**-**	**768,017**	**600,876**	**-**	**600,876**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2020

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Borrowings	15	-	-	2,606,193	2,606,193
Current liabilities					
Trade and other payables		151,075	-	151,075	151,078
Borrowings	15	183,092	-	183,092	183,092
Dividend payable	18	-	223,301	223,301	223,301
		334,167	**223,301**	**3,163,661**	**3,163,664**

	2020 TZS '000	2019 TZS '000

34. Financial instruments and risk management (continued)2019

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Borrowings	15	-	2,789,285	2,789,285	2,789,285
Current liabilities					
Trade and other payables	17	44,287	-	44,287	44,287
Borrowings	15	210,715	-	210,715	210,715
Dividend payable	18	-	172,186	172,186	172,186
		255,002	**2,961,471**	**3,216,473**	**3,216,473**

35. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company. The impact of COVID-19 has been taken into consideration in the going concern assessment.

36. Events after the reporting period

There were no events after the reporting period that had material impact to the financial statements.

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