

AUDITED FINANCIAL RESULTS FOR 2023

Commentary

The directors are pleased to present the audited financial statements for 2023. The company experienced a 3% overall increase in income and a 1% increase in profit after tax compared to the previous year. This growth is attributed to improved capital market conditions, leading to higher dividend and interest income, as well as capital gains from the disposal of government securities and listed shares. However, earnings per share decreased to 24 in 2023 from 25 in the prior year due to the issuance of additional shares in 2023.

The company's investment portfolio grew by 23%, driven by its diversification strategy and operational efficiency. In 2023, the company expanded its equity investments into the Nairobi Securities Exchange to capitalize on opportunities in the broader East African region.

Dividends

The Directors recommend for the payment of a final dividend of TZS 13 per share for 2023, unchanged from 2022, subject to shareholder's approval at the the upcoming Annual General Meeting.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023 TZS '000	2022 TZS '000
Income	3,086,834	2,997,973
Other Operating income	159,304	256,091
Other operating gains (losses)	184,951	154,457
Operating expenses	(1,049,723)	(1,072,564)
Operating profit	2,381,366	2,335,957
Finance costs	(345,233)	(349,966)
Profit before taxation	2,036,133	1,985,991
Taxation	(59,790)	(26,181)
Profit for the year	1,976,343	1,959,810
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Gains on valuation of investments in equity instruments	4,181,980	3,839,666
Other comprehensive income for the year	4,181,980	3,839,666
Total comprehensive income for the year	6,158,323	5,799,476
Basic and diluted earnings per share	23.71	25.23

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023 TZS' 000	2022 TZS' 000
Assets		
Non-Current Assets		
Property, plant and equipment	109,068	117,257
Investment property	221,347	221,347
Right of use assets	59,711	31,050
Intangible assets	3,040	3,000
Loans receivable	73,173	28,734
Equity investments	25,357,243	19,626,034
Investment in government securities	15,037,876	13,589,143
Other financial assets	600,000	150,000
	41,461,458	33,766,565
Current Assets		
Loans receivable	28,954	32,994
Trade and other receivables	1,036,105	599,931
Current tax receivable	308,164	286,996
Other financial assets	455,000	335,000
Cash and cash equivalents	6,704,875	195,185
	8,533,098	1,450,106
Total Assets	49,994,556	35,216,671
Equity and Liabilities		
Equity		
Share capital	12,746,812	2,167,952
Reserves	12,559,826	8,883,288
Retained Income	22,218,290	21,277,811
	47,524,928	32,329,051
Non-Current Liabilities		
Borrowings	1,885,443	2,157,861
Lease Liability	32,944	-
Deferred tax	1,784	1,784
	1,920,171	2,159,645
Current Liabilities		
Trade and other payables	200,758	127,863
Borrowings-CL	272,398	239,081
Dividend Payable	51,922	330,428
Lease Liability	24,379	30,603
	549,457	727,975
Total Liabilities	2,469,628	2,887,620
Total Equity and Liabilities	49,994,556	35,216,671



STATEMENT OF CASH FLOWS

	2023 TZS '000	2022 TZS '000
Cash flow from operating activities		
Cash generated from operations	1,296,072	2,080,332
Finance costs	(345,233)	(349,966)
Tax paid	(80,958)	(92,602)
Net cash from operating activities	869,881	1,637,764
Cash flow from investing activities		
Purchase of property, plant and equipment	(16,928)	(10,567)
Acquisition of right of use assets	(57,323)	(57,323)
Purchase of intangible assets	(2,053)	-
Movement in investments in government securities	(1,549,229)	(527,028)
Movement in equity investments	(3,214,829)	(1,009,953)
Movement in loans receivable	(40,399)	(61,728)
Acquisition of other investments	(570,000)	(135,000)
Net proceeds on disposal of equity investments	1,951,047	560,371
Net cash from investing activities	(3,499,714)	(1,241,228)
Cash flow from financing activities		
Proceeds on share issue	10,578,860	-
Movement in borrowings	(239,101)	(209,251)
Movement in lease liability	26,720	30,603
Dividends paid	(1,226,956)	(684,002)
Net cash from financing activities	9,139,523	(862,650)
Cash and cash equivalents:		
Total Cash movement for the year	6,509,690	(466,114)
Cash at the beginning of the year	195,185	661,299
Total Cash at the end of the year	6,704,875	195,185

STATEMENT OF CHANGES IN EQUITY

	Share capital TZS '000	Share premium TZS '000	Fair valuation reserve TZS '000	IPO Cost TZS '000	Total other reserves & IPO Cost TZS '000	Retained earnings TZS '000	Total equity TZS '000
Previous year							
Balance as at 1 January 2022	1,459,153	708,799	5,957,424	(629,662)	5,327,762	19,908,600	27,404,314
Profit for the year						1,959,810	1,959,810
Other comprehensive income			3,839,666		3,839,666		3,839,666
Transfer between reserves			(284,140)		(284,140)	284,140	-
Dividends						(729,577)	(729,577)
Final WHT on dividend income-prior years						(145,162)	(145,162)
Balance as at 31 December 2022	<u>1,459,153</u>	<u>708,799</u>	<u>9,512,950</u>	<u>(629,662)</u>	<u>8,883,288</u>	<u>21,277,813</u>	<u>32,329,051</u>
Current year							
Balance as at 1 January 2023	1,459,153	708,799	9,512,950	(629,662)	8,883,288	21,277,813	32,329,051
Profit for the year						1,976,343	1,976,343
Other comprehensive income			4,181,980		4,181,980		4,181,980
Issue of Shares	1,459,153	9,119,707					10,578,860
IPO costs on right issue shares				(599,426)	(599,426)		(599,426)
Transfer between reserves			93,984		93,984	(87,414)	6,570
Dividends						(948,450)	(948,450)
Balance as at 31 December 2023	<u>2,918,306</u>	<u>9,828,506</u>	<u>13,788,914</u>	<u>(1,229,088)</u>	<u>12,559,826</u>	<u>22,218,292</u>	<u>47,524,928</u>

We, the undersigned, attest to the faithful representation of the above statements. We declare that the Statements have been examined by us and, to the best of our knowledge and belief, having been prepared in conformance with International Financial Reporting Standards, they present a true and fair view.

Name	Signature	Date
Mr. Fortunatus M. Magambo Chairman		25/06/2024
Prof. Lucian A. Msambichaka Director		25/06/2024

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