AFRIPRISE INVESTMENT PLC

Formerly **TCCIA Investment Public Limited Company**

(Registration number 38280)

Financial statements

for the year ended 31 December 2023

Contents

The reports and statements set out below comprise the financial statements presented to the shareholders:

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 PSSSF Millennium Tower II, Bagamoyo road, Kijitonyama, Dar es Salaam.
Postal address	P. O. Box 72678 Dar es Salaam Tanzania
Bankers	CRDB Bank Plc P.O. Box 2302 Dar es Salaam KCB Bank Tanzania Limited P.O. Box 804 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

Chairman's Statement

Introduction

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of AFRIPRISE Investment PLC (AFRIPRISE) for the year ended 31 December 2023.

Reflecting on the past year, I am reminded of Franklin Roosevelt's words, "Happiness lies not in the mere possession of money. It lies in the joy of achievement, in the thrill of creative effort." This year, our achievements have indeed brought us fulfillment.

We have made significant strides in rebranding and growth. Notably, the successful issuance of rights issue shares raised TZS 10 billion, which will aid in our expansion into East and Southern Africa.

Business Sustainability

Sustainability remains a core focus, driving our commitment to efficient, safe, and environmentally-sound solutions. Through innovation and regional connectivity, we aim for inclusive and sustainable development, fulfilling shareholder expectations.

Dividends

The Board of Directors recommends a total gross dividend of TZS 13 per share for the financial year ended 31 December 2023. Payment of the dividend is a procedure subject to shareholder’s approval during the Annual General Meeting.

Future Prospects

We are dedicated to exploring new revenue streams and improving efficiency, aiming to build a competitive enterprise that delivers value to our shareholders.

Appreciation

I thank the Board of Directors, shareholders, customers, business partners, regulatory bodies, and the Management Team for their support and dedication. Together, we will continue to strive for excellence and achieve greater success.

Thank you.

Fortunatus Makore Magambo
Chairman of the Board

Date: 25th June, 2024

Chief Executive Officer's Statement

I am pleased to present the Chief Executive Officer's statement on the financial results of AFRIPRISE Investment PLC for the year ended 31 December 2023.

Introduction

Our 2023-2025 Strategic Plan has achieved significant milestones, focusing on customer satisfaction, profitability, free cash flow certainty, and earnings growth. This has aligned with our goal to expand regionally and globally.

Financial Performance

The company has maintained steady growth with increase in revenue and investments. Financial performances data for 2023 along with comparative figures for 2022 are given below:

Details	2023	2022
Operational revenues	3,086,834,000	2,997,973,000
Operational expenses	1,049,723,000	1,072,564,000
Net profit /(loss) after tax	1,976,343,000	1,959,810,000
Shareholder's equity	47,524,928,000	32,329,051,000
Total Assets	49,994,556,000	35,216,671,000
Earnings per share	24	25

Investment Portfolio and Return of Investment

Our investment diversification plan led to substantial achievements, including investments in stocks listed on the Nairobi Securities Exchange. The company's net assets worth TZS 47 billion. The company's net assets grew by 47% compared to net assets worth of TZS 32 billion as at 31 December 2022. As a result, the company's net asset annual average growth rate is 840% (8 times). Investment portfolio increased by 23% from 34 billion as at 31 December 2022. As a result, the company's total investment portfolio as at 31 December 2023 is TZS 42 billion. Most investments are in government securities at 36%, equities at 61% and 3% in other assets. The significant performance of the company is highly attributed to the operational efficiency of the company and its diversification strategy.

Earnings per share of the company is TZS 24 as compared to TZS 25 in December 2022 due to rights issue of shares that increased the number of shares by 100% compared to prior year as described in note 2.

Furthermore, the return on Investment of the company is 5% as compared to 6% in December 2022 due to more investments during current year expecting to earn more return in subsequent years.
The distribution of the investment portfolio of the company as of 31 December 2023 is summarised in the table as follows (the figures are rounded to the nearest thousand):

Investment category	2023	%	2022	%
Government securities	15,037,876	36	13,589,143	40
Equity investments	25,357,243	61	19,626,034	58
Short term deposits	305,000	1	335,000	1
Investment property	221,347	-	221,347	1
Corporate bonds	750,000	2	150,000	-
	41,671,466	**100**	**33,921,524**	**100**

Business Outlook

We aim at expanding our equities' investment portfolio beyond the Dar es Salaam Stock Exchange (DSE) and Nairobi Stock Exchange (NSE), targeting both dividend and growth stocks to boost returns. Additionally, we are rebalancing our portfolio among equities, bonds, and money markets to mitigate risks and optimize returns. Furthermore, we continue to research and explore emerging business opportunities.

Chief Executive Officer's Statement

Conclusion

I thank the Board of Directors, the management team, our bankers, auditors, and investors for their support. With our collective efforts, AFRIPRISE Investment PLC will continue to thrive.

Thank you.

Peter William Kifunguomali,
Chief Executive Officer

Date: 25th June, 2024

Sustainability Report

Introduction

This sustainability report outlines the efforts and achievements of AFRIPRISE Investment Public Limited Company in promoting sustainability and responsible investment practices. Our commitment to environmental, social, and governance (ESG) principles guides our operations and investment decisions. This report covers the key sustainability initiatives undertaken during the fiscal year 2023.

Environmental Responsibility

1. **Energy Efficiency**
   - We have implemented energy-saving measures across our offices, resulting in a 15% reduction in energy consumption compared to the previous year.
   - Our investment portfolio includes companies with strong environmental practices.
2. **Waste Reduction**
   - Digitalization efforts have reduced paper usage by 25%, aligning with our goal to minimize our environmental footprint.

Social Responsibility

1. **Community Engagement**
   - We have a donation program where part of our profits is donated to local charities and community projects, focusing on education and healthcare.
   - Our employees participated in volunteer work, supporting various community initiatives.
2. **Employee Welfare**
   - We provide comprehensive health and wellness programs for our employees, including mental health support and regular health check-ups.
   - Our commitment to diversity and inclusion is reflected in our workforce, with 50% of our employees being women. There is also women representation in the Board of Directors.

Governance

1. **Ethical Investment**
   - Our investment decisions are guided by a rigorous ESG framework, ensuring that we support businesses with strong ethical practices.
   - We conduct regular ESG assessments of our portfolio companies to ensure ongoing compliance and improvement.
2. **Transparency and Accountability**
   - We have established a transparent reporting process, providing stakeholders with regular updates on our sustainability efforts.

Sustainability Report

Sustainability Goals for Next Year

1. **Environmental**
    - Achieve a further reduction in energy consumption through advanced energy management systems.
    - Increase the proportion of investments in renewable energy projects.
2. **Social**
    - Expand our community engagement program to include partnerships with educational institutions for scholarship programs.
    - Enhance our employee training programs to include more robust career development opportunities.
3. **Governance**
    - Strengthen our ESG assessment criteria to include more stringent measures for social impact.
    - Improve our stakeholder engagement process to incorporate feedback and suggestions into our sustainability strategy.

AFRIPRISE Investment Public Limited Company is dedicated to integrating sustainability into every aspect of our business. We believe that responsible investment and sustainable practices are essential for long-term success and positive societal impact. We are proud of our achievements this year and remain committed to advancing our sustainability goals in the years to come.

Report by Those Charged with Governance

The members charged with governance (directors) have pleasure in submitting their report on the financial statements of AFRIPRISE Investment Public Limited Company (the 'Company') for the year ended 31 December 2023. The report highlights the company's state of affairs for the year ended 31 December 2023.

1. Incorporation

AFRIPRISE Investment Public Limited Company (AFRIPRISE) 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

To be the premier provider of investment management in Tanzania.

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.

The company recorded a net profit after tax for the year ended 31 December 2023 of TZS 1,976,343,000. This being a turnaround from the net profit after tax of the prior year of TZS 1,959,810,000.

Company revenue increased by 11% from TZS 2,997,973,000 in the prior year to TZS 3,086,834,000 for the year ended 31 December 2023.The increase in revenue is attributed to an increase in dividend income a result of the continued board's decision to diversify the company's investments portfolio during the year.

Report by Those Charged with Governance

7. Share capital

	2023	2022
Authorised	Number of shares	
Ordinary shares	5,000,000,000	5,000,000,000

	2023	2022	2023	2022
Issued	TZS '000	TZS '000	Number of shares	
Ordinary shares	2,918,306	1,459,153	145,915,320	72,957,660
Share premium	9,828,506	708,799	-	-
	12,746,812	**2,167,952**	**145,915,320**	**72,957,660**

Refer to note 15 of the financial statements for detail of the movement in issued share capital.

8. Dividends

The board of directors recommends payment of a final dividend of TZS 13 per share, amounting to TZS 1,896,899,160 (2022: TZS 13 per share, amounting to TZS 948,449,580).

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	Chairman	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	Information Technology	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.

Report by Those Charged with Governance

12. Secretary

The company secretary as at 31 December 2023 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.

During the year 2023, no charitable donations were made by the company.

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.

Liquidity risk

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.

Report by Those Charged with Governance

Credit risk

Credit risk is the risk that the counterpart to any financial transaction may not be able to fulfills 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.

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 alias 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 fulfills their fiduciary responsibilities by applying principles of sound corporate governance and adopting best practices.

15. Directors' interests in shares

As at 31 December 2023, the directors of the company held direct and indirect beneficial interests of its issued ordinary shares, as set out below.

Interests in shares

Directors	2023 Direct	2022 Direct
Prof. Lucian A. Msambichaka	131,760	65,880
Joseph Matanga Kahungwa	81,200	40,600
Magdalene N. E. Mkocha	204,724	102,363
Nathan E. Mnyawami	42,150	21,075
Paul F. Koyi	20,000	-
	479,834	**229,918**

The board of directors also consists of directors representing the entities holding shares in the company. These directors as as follows:

- Paul F. Koyi, TCCIA President - representing TCCIA Headquarters and Regional Offices who hold a total of 792,492 shares.
- Fortunatus Magambo and Ernest R. Khisombi - both representing Public Service Social Security Fund which holds a total of 65,661,894 shares.

Report by Those Charged with Governance

16. 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 six (6) times, of which three (3) were ordinary meetings and three (3) 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 2023:

Director	Position	Total Meetings	No. of Meetings Attended
Fortunatus Magambo	Chairman	6	6
Prof. Lucian. A. Msambichaka	Member	6	6
Joseph. M. Kahungwa	Member	6	6
Magdalene. N. E. Mkocha	Member	6	6
Nathan. E. Mnyawami	Member	6	6
Paul. F. Koyi	Member	6	1
Ernest. R. Khisombi	Member	6	6

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 three (3) 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 three (3) times to discuss and adopt the quarterly Internal audit reports which were prepared by the Internal auditor and also the draft annual accounts.

Report by Those Charged with Governance

Main activities performed by the Board during the year 2023

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

- Reviewing and approval of Rights issue of shares;
- Reviewing and approval of new company name;
- 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 2023.
- Analysing various investment reports and searching for new business ventures.

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 Markets and Securities Authority, 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 31 December 2023. The Paid-up capital of the Company consists only ordinary shares at the end of 31 December 2023 the paid-up capital amounted to TZS 12,746,812,000.

	Company	
	2023	2022
	TZS '000	TZS '000
Authorized		
5,000,000,000 ordinary shares of TZS 20/- each	100,000,000	100,000,000
Issued, subscribed and paid up		
145,915,320 (2022:72,957,660) ordinary shares of TZS 20/- each	2,918,306	1,459,153
Share premium	9,828,506	708,799
	12,746,812	**2,167,952**

Shareholding Structure	**Percentage Share**	**TZS '000**
PSSSF	45	1,313,238
Abbasi Exports Ltd	13	387,746
Joyce Mwita Gachuma	5	150,000
Christopher Mwita Gachuma	4	116,732
Amin Mohamed Valji	2	42,200
Other Shareholders (less than 1.5)	31	908,390
	100	**2,918,306**

Report by Those Charged with Governance

20. Stock exchange information

The Company is listed on the Dar es Salaam Stock Exchange. The share price as at 31 December 2023 was TZS 190 (December 2022: TZS 155) and market capitalization was TZS 27,723,911,000 (December 2022: TZS 11,330,000,000).

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 AFRIPRISE 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.

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.

Financial assistance

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

Report by Those Charged with Governance

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.

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.

24. Gender Parity

As at 31 December 2023, the company had 6 employees (2022: 6); out of which 3 were male and 3 were female (2022: male 3, female 3).

25. Environmental, Social and Governance

We remain conscious of Environmental, Social and Governance issues and have identified better ways of measuring what we have been doing. The Company has committed itself to “go green” by working on paperless environment and allocating our equity investments in companies that comply with environmental and safety rules.

26. 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.

27. 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.

28. Related party transactions

All related party transactions and balances are disclosed in note 34 to the financial statements.

Report by Those Charged with Governance

29. Responsibility of those charged with governance

It is directors' 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 and applicable rules, regulations and legal provisions. The directors also confirm compliance with the provisions of the requirements of Tanzania Financial Reporting Standard 1 (TFRS 1) and all other statutory legislations relevant to the company.

30. 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 31 December 2024. A separate paper will be presented before the meeting for discussion and decision by the General Meeting.

The financial statements set out on pages 22 to 63, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement, and were signed on its behalf by:

Fortunatus Makore Magambo	**Prof. Lucian A. Msambichaka**
Director	**Director**
Date 25th June, 2024	**Date 25th June, 2024**

Statement of Directors' Responsibilities

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 2024 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 19 to 21.

The financial statements set out on pages 22 to 63, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement and were signed on their behalf by:

Fortunatus Makore Magambo
Chairman

Date: 25th June, 2024

Prof. Lucian A. Msambichaka
Director

Date: 25th June, 2024

Declaration of the Head of Finance/Accounting

Declaration of the Head of Finance/Accounting of AFRIPRISE 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 Statement of Directors' Responsibilities on an earlier page.

I, Joel Chikoma being the Head of Finance/Accounting of AFRIPRISE Investment Public Limited Company at 31 December 2023 and for the year then ended hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2023 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 AFRIPRISE Investment Public Limited Company as on that date and that they have been prepared based on properly maintained financial records.

Name: **Joel Chikoma**

Signature: ______________________________

Position: Head of Finance

NBAA Membership No: ACPA 3285

Date: 25th June, 2024

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Report of the Independent Auditor

To the shareholders of AFRIPRISE Investment Public Limited Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AFRIPRISE Investment Public Limited Company (the company) set out on pages 22 to 63, which comprise the Statement of Financial Position as at 31 December 2023, 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 AFRIPRISE Investment Public Limited Company as at 31 December 2023, 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 section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in 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 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 Report by Those Charged with Governance Chairman's Statement, Chief Executive Officer's Statement, Statement of Directors' Responsibilities and Declaration of the Head of Finance/Accounting, which we obtained prior to the date of signing this report. The 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.

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Report of the Independent Auditor

To the shareholders of AFRIPRISE 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.

Report of the Independent Auditor

To the shareholders of AFRIPRISE Investment Public Limited Company

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.

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 consequence 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 opinion, has been prepared for, and only for, the company's members as a body in accordance 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 purpose of our audit;
- In our opinion proper books of accounts have been kept by the company, so far as appears for our examination of the books;
- The company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts;
- The Report by Those Charged with Governance is consistent with the financial statements; and
- Information specified by law regarding directors' remuneration and transactions with the company is disclosed.

CPA Christopher Msuya
ACPA-PP1076
For and on behalf of Crowe Tanzania
Certified Public Accountants in Public Practice
Dar es Salaam

Date: 25 June, 2024

CROWE TANZANIA
P.O. Box 65273
DAR-ES-SALAAM

Statement of Financial Position as at 31 December 2023

	Note(s)	2023 TZS '000	2022 TZS '000
Assets			
Non-Current Assets			
Property, plant and equipment	4	109,068	117,257
Investment property	5	221,347	221,347
Right of use asset	8	59,711	31,050
Intangible assets	6	3,040	3,000
Loans receivable	7	73,173	28,734
Equity investments	10	25,357,243	19,626,034
Investment in government securities	9	15,037,876	13,589,143
Other financial assets	11	600,000	150,000
		41,461,458	**33,766,565**
Current Assets			
Loans receivable	7	28,954	32,994
Trade and other receivables	13	1,036,105	599,931
Current tax receivable		308,164	286,996
Other financial assets	11	455,000	335,000
Cash and cash equivalents	14	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	15	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**
Liabilities			
Non-Current Liabilities			
Borrowings	16	1,885,443	2,157,861
Deferred tax	12	1,784	1,784
Lease liability	17	32,944	-
		1,920,171	**2,159,645**
Current Liabilities			
Trade and other payables	18	200,758	127,863
Borrowings	16	272,398	239,081
Dividend payable	19	51,922	330,428
Lease liability	17	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**

The financial statements and the notes on pages 22 to 63, were approved by the board of directors on the date of this statement and were signed on its behalf by:

Fortunatus Makore Magambo
Chairman
Date: 25th June, 2024

Prof. Lucian A. Msambichaka
Director
Date: 25th June, 2024

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2023 TZS '000	2022 TZS '000
Income	20	3,086,834	2,997,973
Other operating income	21	159,304	256,091
Other operating gains (losses)	22	184,951	154,457
Operating expenses	23	(1,049,723)	(1,072,564)
Operating profit		**2,381,366**	**2,335,957**
Finance costs	26	(345,233)	(349,966)
Profit before taxation		**2,036,133**	**1,985,991**
Taxation	27	(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 net of taxation		**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**

The accounting policies on pages 26 to 41 and the notes on pages 42 to 63 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	Fair valuation reserve TZS '000	IPO Cost TZS '000	Total other reserves and IPO Cost TZS '000	Retained income TZS '000	Total equity TZS '000
Balance at 1 January 2022	**1,459,153**	**708,799**	**2,167,952**	**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
Total comprehensive income for the year	**-**	**-**	**-**	**3,839,666**	**-**	**3,839,666**	**1,959,810**	**5,799,476**
Transfer between reserves	-	-	-	(284,140)	-	(284,140)	284,140	-
Final WHT on dividend income - prior years	-	-	-	-	-	-	(145,162)	(145,162)
Dividends	-	-	-	-	-	-	(729,577)	(729,577)
Total changes	**-**	**-**	**-**	**(284,140)**	**-**	**(284,140)**	**(590,599)**	**(874,739)**
Balance at 1 January 2023	**1,459,153**	**708,799**	**2,167,952**	**9,512,950**	**(629,662)**	**8,883,288**	**21,277,813**	**32,329,053**
Profit for the year	-	-	-	-	-	-	1,976,343	1,976,343
Other comprehensive income	-	-	-	4,181,980	-	4,181,980	-	4,181,980
Total comprehensive income for the year	**-**	**-**	**-**	**4,181,980**	**-**	**4,181,980**	**1,976,343**	**6,158,323**
Issue of shares	1,459,153	9,119,707	10,578,860	-	-	-	-	10,578,860
IPO costs on rights issue shares	-	-	-	-	(599,426)	(599,426)	-	(599,426)
Transfer between reserves	-	-	-	93,984	-	93,984	(87,416)	6,568
Dividends	-	-	-	-	-	-	(948,450)	(948,450)
Total changes	**1,459,153**	**9,119,707**	**10,578,860**	**93,984**	**(599,426)**	**(505,442)**	**(1,035,866)**	**9,037,552**
Balance at 31 December 2023	**2,918,306**	**9,828,506**	**12,746,812**	**13,788,914**	**(1,229,088)**	**12,559,826**	**22,218,290**	**47,524,928**
Note(s)	15	15	15					

Statement of Cash Flows

	Note(s)	2023 TZS '000	2022 TZS '000
Cash flows from operating activities			
Cash generated from operations	28	1,296,072	2,080,332
Finance costs		(345,233)	(349,966)
Tax paid	29	(80,958)	(92,602)
Net cash from operating activities		**869,881**	**1,637,764**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(16,928)	(10,567)
Acquisition of right of use asset	8	(57,323)	(57,323)
Purchase of intangible assets	6	(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 flows from financing activities			
Proceeds on share issue	15	10,578,860	-
Movement in borrowings		(239,101)	(209,251)
Movement in lease liability		26,720	30,603
Dividends paid	30	(1,226,956)	(684,002)
Net cash from financing activities		**9,139,523**	**(862,650)**
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 end of the year	14	**6,704,875**	**195,185**

The accounting policies on pages 26 to 41 and the notes on pages 42 to 63 form an integral part of the financial statements.

Accounting Policies

Corporate information

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

The board of directors approved the change of name of the company to AFRIPRISE Investment Public Limited Company (formerly known as TCCIA Investment Public Limited Company) as part of rebranding process during the current year.

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on date of this report.

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 the Companies 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.

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	Average 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.

Accounting Policies

1.3 Property, plant and equipment (continued)

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.

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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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	Average useful life
Furniture and fixtures	Diminishing balance	8 years
Motor vehicles	Diminishing balance	5 years
Office equipment	Diminishing balance	8 years
IT equipment	Diminishing balance	3 years
Printers	Diminishing balance	8 years

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 Intangible assets

An intangible asset is recognised when:

Accounting Policies

1.4 Intangible assets (continued)

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Average useful life
Computer software	4 years

1.5 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).

Accounting Policies

Financial instruments (continued)

Financial assets which are debt instruments:

- 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

Financial liabilities:

- Amortised cost

Note 35 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&11).

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 cost.

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 20).

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).

Financial instruments (continued)

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.

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 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 35).

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 13).

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 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 13) and the financial instruments and risk management note (note 35).

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 10. 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 10.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 22).

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 20).

Accounting Policies

Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 18), excluding VAT and amounts received in advance, are classified as financial liabilities 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 26).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 35 for details of risk exposure and management thereof.

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.

1.6 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 credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits 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

1.6 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 items that 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 credited or charged, in the same or a different period, directly in equity.

1.7 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.

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.

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.

Accounting Policies

1.7 Leases (continued)

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 or the 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.

1.8 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:

1.8 Impairment of assets (continued)

- 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 does not 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.

1.9 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.

1.10 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.

Accounting Policies

1.10 Employee benefits (continued)

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.

1.11 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 and measured 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 for terminating 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 to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

1.12 Income

The company recognises revenue from the following major sources:
- Interest from government securities and retail bonds
- Interest from fixed deposit and call accounts
- Dividend from equity investments

Accounting Policies

1.12 Income (continued)

- Capital gain from sale of government securities and equity investments

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Dividend distribution

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

Notes to the Financial Statements

2. Earnings per share

During the year, the company announced a rights issue of one (1) new ordinary share for every one (1) share held at 13.79% discounted offer price of TZS 145 per share. The rights issue offer was successfully closed on 1 December 2023. The bonus element as a result of rights issue at discounted offer price has been taken into consideration in Earning Per Share (EPS) computation. The weighted average number of shares for both basic and diluted EPS has been adjusted retrospectively in compliance with IAS 33 - 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;

Net profit attributed to shareholders (in TZS'000)	1,976,343	1,959,810
Weighted average number of shares	83,352,165	77,664,605
Basic and diluted earnings per share	23.71	25.23

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:

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

Notes to the Financial Statements

3. New standards and interpretations (continued)

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 1 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

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 1 January 2024 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

The company does not envisage the adoption of the amendment until such time as it becomes applicable to the company's operations.

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

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 company is for years beginning on or after 1 January 2024.

The company expects to adopt the amendment for the first time in the 2024 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)

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

The standard sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The effective date of the company is for years beginning on or after 1 January 2024.

The company expects to adopt the requirement for the first time in the 2024 financial statements.

The company is currently assessing the impact of the amendment its financial statements.

IFRS S2 Climate-related Disclosures

The standard sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The effective date of the company is for years beginning on or after 1 January 2024.

The company expects to adopt the amendment for the first time in the 2024 financial statements.

The company is currently assessing the impact of the amendment its financial statements.

Lease Liability in a Sale and Leaseback: Amendments to IFRS 16

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments provide a requirement for the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the company is for years beginning on or after 1 January 2024.

The company expects to adopt the amendment for the first time in the 2024 financial statements.

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

Supplier Finance Arrangements: Amendments to IAS 7 and IFRS 7

The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The effective date of the company is for years beginning on or after 1 January 2024.

The company expects to adopt the amendment for the first time in the 2024 financial statements.

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

Lack of Exchangeability: Amendments to IAS 21

Notes to the Financial Statements

3. New standards and interpretations (continued)

The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The effective date of the company is for years beginning on or after 1 January 2025.

The company expects to adopt the amendment for the first time in the 2025 financial statements.

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

Notes to the Financial Statements

4. Property, plant and equipment

Summary of property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	26,480	(15,822)	10,658	26,480	(14,299)	12,181
Motor vehicles	115,150	(53,736)	61,414	115,150	(38,384)	76,766
Office equipment	17,953	(8,141)	9,812	13,037	(7,442)	5,595
IT equipment	68,372	(44,605)	23,767	56,362	(37,552)	18,810
Printers	7,273	(3,856)	3,417	7,273	(3,368)	3,905
Total	**235,228**	**(126,160)**	**109,068**	**218,302**	**(101,045)**	**117,257**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	12,181	-	(1,523)	10,658
Motor vehicles	76,766	-	(15,352)	61,414
Office equipment	5,595	4,917	(700)	9,812
IT equipment	18,810	12,011	(7,054)	23,767
Printers	3,905	-	(488)	3,417
	117,257	**16,928**	**(25,117)**	**109,068**

5. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	221,347	-	221,347	221,347	-	221,347

Reconciliation of investment property - 2023

	Opening balance	Total
Investment property	221,347	221,347

Notes to the Financial Statements

5. Investment property (continued)

Details of property

Mtwara Land Plot

Cost	212,112	212,112

Dodoma Land Plot

Cost	9,235	9,235

The company owns 2 pieces of land namely;

a) Plot No 3 Block A, Mtepwezi Mtwara Municipality with title number 15772; and

b) 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.

6. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	8,053	(5,013)	3,040	6,000	(3,000)	3,000

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	3,000	2,053	(2,013)	3,040

7. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

Loans receivable Secured staff loan facility repayable in 3 years from disbursement date with interest rate of 5% p.a. The loan has been issued in accordance with the company's staff loans policy.	102,127	61,728

Split between non-current and current portions

Non-current assets	73,173	28,734
Current assets	28,954	32,994
	102,127	**61,728**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

8. Right of use asset

	2023 TZS '000	2022 TZS '000
Cost		
Opening balance	57,323	74,866
Additions	57,323	57,323
Expired lease contract	-	(74,866)
	114,646	**57,323**
Accumulated amortisation		
Opening balance	(26,273)	(71,610)
Expired lease contract	-	71,610
Amortisation - Leased	(28,662)	(26,273)
	(54,935)	**(26,273)**
Carrying value		
Opening balance	31,050	3,256
Additions	57,323	57,323
Expired lease contract	-	(3,256)
Amortisation - Leased	(28,662)	(26,273)
	59,711	**31,050**

Depreciation charge on the right of use asset is at straight-line over the respective lease period. The depreciation charge for the period ended 31 December 2023 has been accounted for under the statement of profit or loss and other comprehensive income.

Class	**Cost**	**Addition**	**Expired lease contract**	**Depreciatic n**	**Accumulate d depreciati on**	**Carrying value**
Office space	74,866	57,323	(74,866)	(26,273)	(26,273)	31,050

9. Investment in Government Securities

	2023 TZS '000	2022 TZS '000
Government securities	15,037,876	13,589,143

Split between non-current and current portions

	2023 TZS '000	2022 TZS '000
Non-current assets	15,037,876	13,589,143

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

9. Investment in Government Securities (continued)

The company has invested in government securities that are held to maturity designated at amortised cost. Interest on re-capitalisation bonds is received semi-annually at variable rate, a maximum of 15.95% and minimum of 12.10%.

The Company has invested in government securities with face value of 15,433 million (2022: TZS 13,738 million) with variable maturity of maximum 25 years and minimum 15 years. 8 government securities are pledged as securities to borrowings advanced by CRDB Bank Plc as disclosed in note 16 and additional 8 government securities were pledged as securities to borrowing advanced by iTrust Finance Limited - fully cleared by the company in December 2023, administrative procedures to release the securities from the iTrust Finance Limited were in progress during the year and completed subsequently.

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

10. Equity investments

	2023 TZS '000	2022 TZS '000
Equity investments at fair value through other comprehensive income	25,357,243	19,626,034

The company holds investment in equity instruments with objectives of collecting contractual cashflow and for sale. At initial recognition, the company elected to present equity investments at fair value through other comprehensive income.

	2023 TZS '000	2022 TZS '000
Equity investments at fair value through other comprehensive income:		
Listed shares	25,351,743	19,620,534
See breakdown below;		
Unlisted shares	5,500	5,500
The company holds 10,000 ordinary shares in Mwanza Community Investment PLC - Unlisted.		
	25,357,243	**19,626,034**

2023 TZS '000
2022 TZS '000

10. Equity investments (continued)

Listed shares breakdown

	2023 Fair value	2023 Dividend income	2022 Fair value	2022 Dividend income
Tanzania Breweries Limited (TBL)	4,995,416	-	4,288,801	114,106
Tanzania Cigarette Company Limited (TCC)	5,810,600	229,006	5,810,600	90,540
Tanzania Portland Cement Company Limited (TPCC)	385,197	34,456	326,888	34,456
Tanga Cement Company Limited (TCCL)	-	-	86,096	102,540
Swissport Tanzania Public Limited Company (Swiss)	133,884	4,260	133,884	3,023
Dar es Salaam Community Bank (DCB)	109,821	-	126,716	-
National Microfinance Bank Public Limited Company (NMB)	11,659,136	741,650	7,824,575	540,495
CRDB Bank Public Limited Company (CRDB)	919,569	89,958	789,630	71,966
Dar es Salaam Stock Exchange (DSE)	500,645	19,608	224,461	8,629
National Investments PLC (NICO)	231,165	20,427	8,883	-
BK Group Plc	95,228	2,334	-	-
KCB Group Plc	55,976	2,556	-	-
Safaricom Plc	176,919	8,087	-	-
Equity Group Holdings Plc	146,108	17,368	-	-
British American Tobacco Kenya Plc	132,079	18,475	-	-
Total	**25,351,743**	**1,188,185**	**19,620,534**	**965,755**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

11. Other financial assets

	2023 TZS '000	2022 TZS '000
At amortised cost		
Corporate Bonds SUKUK issued by Imaan Finance Limited with maturity in 2-3 years. Interest at 9%-11% per annum, payable semi-annually.	750,000	150,000
Fixed Deposits - CRDB Bank Plc TZS fixed deposits for 12 months' period that attract fixed bank interest rates.	305,000	305,000
Fixed Deposit - Yetu Microfinance Bank Plc TZS fixed deposit for 12 months' period that attract a fixed interest rate at 14% per annum. In December 2023, this fixed deposit was fully recovered.	-	30,000
	1,055,000	**485,000**

	2023 TZS '000	2022 TZS '000
Split between non-current and current		
Non-current asset	600,000	150,000
Current asset	455,000	335,000
	1,055,000	**485,000**

12. Deferred tax

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

	2023 TZS '000	2022 TZS '000
Deferred tax liability	(1,784)	(1,784)

Reconciliation of deferred tax asset / (liability)

	2023 TZS '000	2022 TZS '000
At beginning of year	(1,784)	(23,890)
Increases (decrease) in tax loss available for set off against future taxable income	-	17,400
Taxable / (deductible) temporary difference movement on tangible fixed assets	-	3,876
Taxable / (deductible) temporary difference on leases	-	842
Taxable / (deductible) temporary difference on amortization of government securities	-	1,543
Taxable / (deductible) temporary difference movement on provision	-	(1,555)
	(1,784)	**(1,784)**

Deferred tax movement for the current year has not been recognised in these financial statements due to uncertainties as to whether sufficient taxable profits will be available in the near future against which the temporary differences giving rise to deferred tax asset can be utilised.

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

13. Trade and other receivables

	2023 TZS '000	2022 TZS '000
Financial instruments:		
Accrued income	511,461	550,793
Other deposits	-	1,363
Deposits held with brokers	483,799	-
Non-financial instruments:		
Employee costs in advance	40,845	46,668
Prepayments	-	1,107
Total trade and other receivables	**1,036,105**	**599,931**

Split between non-current and current portions

	2023 TZS '000	2022 TZS '000
Current assets	1,036,105	599,931

14. Cash and cash equivalents

Cash and cash equivalents consist of:

	2023 TZS '000	2022 TZS '000
Cash on hand	3,443	3,431
Bank balances	71,216	191,754
Short-term deposits*	6,630,216	-
	6,704,875	**195,185**

Short-term deposits represent call account which is held with CRDB Bank Public Limited Company (CRDB) bearing interest at 5% per annum. The call account is subsequently closed in February 2024.

15. Share capital

	2023 TZS '000	2022 TZS '000
Authorised		
5,000,000,000 ordinary shares of TZS 20/- each	100,000,000	100,000,000
Issued and paid up		
145,915,320 (2022: 72,957,660) ordinary shares of TZS 20/- each	2,918,306	1,459,153
Share premium	9,828,506	708,799
	12,746,812	**2,167,952**
Reconciliation of number of shares issued:		
Reported as at 1 January 2023	72,957,660	-
Issue of shares – ordinary shares	72,957,660	-
	145,915,320	**-**

During the year, the company announced a rights issue of one (1) new ordinary share for every one (1) share held at an offer price of TZS 145 per share. A total of 72,957,660 shares were issued.

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000
16. Borrowings		
Held at amortised cost		
Secured		
Bank loan	2,157,841	2,396,942
Unsecured		
Split between non-current and current portions		
Non-current liabilities	1,885,443	2,157,861
Current liabilities	272,398	239,081
	2,157,841	**2,396,942**

As at 31 December 2023, the company has outstanding loan facility with CRDB Bank Plc amounting to TZS 2,157,841,000. Loan facility is for the period of 10 years starting 2019 with interest rate of 13.8% p.a, repayment semi-annual installments and security lien include government treasury bonds namely;

Security account number	Face value	Security number
BOTCDSCORU0528	75,000,000	4164712
BOTCDSCORU0528	75,000,000	4164714
BOTCDSCORU0528	971,200,000	4164710
BOTCDSCORU0528	500,000,000	4248532
BOTCDSCORU0528	500,000,000	4248536
BOTCDSCORU0528	300,000,000	4248540
BOTCDSCORU0528	145,800,000	4164708
BOTCDSCORU0528	300,000,000	4248542

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

17. Lease liabilities

	2023 TZS '000	2022 TZS '000
Office space		
Opening balance	30,603	-
Addition/recognition	57,323	57,323
Interest	1,574	5,457
Payment	(32,177)	(32,177)
Closing balance	**57,323**	**30,603**

Maturity analysis	**Less than 1 year**	**1 to 2 years**
Office lease - PSSSF	24,379	32,944

The company entered into an office lease agreement with the Public Service Social Security Fund (PSSSF) for a period of 2 years expiring in January 2024 and renewed for a further 2 years expiring in Jan 2026. 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 2023 has been accounted for under the statement of profit or loss and other comprehensive income.

Service charges relating to the leased office premises are reported under operating expenses.

18. Trade and other payables

	2023 TZS '000	2022 TZS '000
Financial instruments:		
Accruals	200,758	127,863

19. 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 13 per share, amounting to TZS 1,896,899,160. In 2022, dividend of TZS 13 per share, amounting to TZS 948,449,580 was approved and paid.

As at 31 December 2023, the outstanding dividend amount is TZS 51 million (2022: TZS 330 million) . The company is continuously making necessary efforts to reach the respective shareholders.

20. Income

	2023 TZS '000	2022 TZS '000
Income from Investments		
Interest income	1,898,649	2,032,218
Dividend income	1,188,185	965,755
	3,086,834	**2,997,973**

21. Other operating income

	2023 TZS '000	2022 TZS '000
Gain on disposal of government securities	159,304	256,091

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

22. Other operating gains (losses)

	2023 TZS '000	2022 TZS '000
Gains (losses) on disposals		
Equity investments	184,951	154,457

23. Operating expenses

	2023 TZS '000	2022 TZS '000
Administration cost	425,072	441,158
Business development cost	59,231	65,053
Employment costs	452,428	445,368
Depreciation and amortization	55,792	63,785
Director's fee	33,600	33,600
Auditor's remuneration	23,600	23,600
	1,049,723	**1,072,564**

24. Employee costs

	2023 TZS '000	2022 TZS '000
Employee costs		
Salaries	315,053	322,053
Medical expenses	12,785	13,061
Pension fund: NSSF	12,546	12,456
Workers Compensation Fund	2,000	1,941
Gratuity expenses	33,000	33,000
Leave allowance	27,387	23,014
Staff training expenses	24,665	14,850
Pension fund: PSSSF	24,993	24,993
	452,429	**445,368**

25. Depreciation and amortisation

	2023 TZS '000	2022 TZS '000
Depreciation		
Property, plant and equipment	25,117	32,757
Amortisation		
Right of use assets	28,662	29,528
Intangible assets	2,013	1,500
	30,675	**31,028**
Total depreciation, amortisation and impairment		
Depreciation	25,117	32,757
Amortisation	30,675	31,028
	55,792	**63,785**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000
26. Finance costs		
Interest expenses on borrowings	343,659	344,509
Interest on lease liability	1,574	5,457
Total finance costs	**345,233**	**349,966**

27. Taxation

Major components of the tax expense

	2023 TZS '000	2022 TZS '000
Current		
Final withholding tax - current period	59,790	48,288
Deferred		
Originating and reversing temporary differences	-	(22,107)
	59,790	**26,181**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2023 TZS '000	2022 TZS '000
Accounting profit	2,036,133	1,985,991
Tax at the applicable tax rate of 30% (2022: 30%)	610,840	595,797
Tax effect of adjustments on taxable income		
Permanent difference	9,363	1,955
Non-taxable income	(720,950)	(619,859)
Final withholding tax - current year	59,790	48,288
Deferred tax movement - not adjusted	100,747	-
	59,790	**26,181**

No provision has been made for 2023 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is TZS 390,073,000 - (2022: TZS 58,000,000).

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 assessments to the company. The final income tax liability as determined by TRA after their review may differ from the liability determined by the company and procedures are in place for the company to object and appeal against such assessments. It is common that a time frame from the company's own submission of its final tax returns and TRA performing their review and issuing of notice of final tax assessment may take several months or years.

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000
28. Cash generated from operations		
Profit before taxation	2,036,133	1,985,991
Adjustments for:		
Depreciation and amortisation	55,792	63,785
Gain on disposal of assets	(184,951)	(154,457)
Finance costs	345,233	349,966
Final WHT on dividend income adjustment - prior years	-	(145,162)
IPO costs for equity investments through Other Comprehensive Income	(599,426)	-
Non-cash item - Transfer between reserves relating to prior years	6,568	-
Changes in working capital:		
Trade and other receivables	(436,174)	(15,561)
Trade and other payables	72,897	(4,230)
	1,296,072	**2,080,332**

29. Tax paid

Balance at beginning of the year	286,996	242,682
Current tax for the year recognised in profit or loss	(59,790)	(48,288)
Balance at end of the year	(308,164)	(286,996)
	(80,958)	**(92,602)**

30. Dividends paid

Balance at beginning of the year	(330,428)	(284,853)
Dividends	(948,450)	(729,577)
Balance at end of the year	51,922	330,428
	(1,226,956)	**(684,002)**

Dividends are from capital profits.

31. Commitments

Lease liability

Minimum lease payments due		
- within one year	24,379	30,603
- in second to fifth year inclusive	32,944	-
	57,323	**30,603**

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

	2023 TZS '000	2022 TZS '000

32. Contingencies

The directors are of the opinion that there are no contingent liabilities as at year end.

33. Comparative figures

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

The effects of the reclassification are as follows:

	2023 TZS '000	2022 TZS '000
Statement of Financial Position		
Equity investments	-	5,500
Trade and other receivables	-	(5,500)
Other financial assets	-	335,000
Cash and cash equivalents	-	(335,000)

34. Related parties

Relationships

Shareholders	Refer to page 13
Directors	Refer to page 2
Members of key management	Peter Kifunguomali Joel Chikoma Rose Osima

Related party transactions

	2023 TZS '000	2022 TZS '000
Rent and service charges paid to (received from) related parties		
Public Services Social Security Fund (PSSSF)	42,078	45,497
Professional services from (to) related parties		
iTrust Finance Limited	375,906	-

Compensation to directors and other key management

	2023 TZS '000	2022 TZS '000
Key management emoluments	295,315	295,315
Director fees	33,600	33,600
	328,915	**328,915**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

35. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total
Loans receivable	7	-	102,127	102,127
Equity investments	10	25,357,243	-	25,357,243
Government securities	9	-	15,037,876	15,037,876
Trade and other receivables	13	-	995,260	995,260
Cash and cash equivalents	14	-	6,704,875	6,704,875
Other financial assets	11	-	1,055,000	1,055,000
		25,357,243	**23,895,138**	**49,252,381**

2022

	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total
Loans receivable	7	-	61,728	61,728
Equity investments	10	19,626,034	-	19,626,034
Government securities	9	-	13,589,143	13,589,143
Trade and other receivables	13	-	552,156	552,156
Cash and cash equivalents	14	-	195,185	195,185
Other financial assets	11	-	485,000	485,000
		19,626,034	**14,883,212**	**34,509,246**

2023 TZS '000
2022 TZS '000

35. Financial instruments and risk management (continued)

Categories of financial liabilities

2023

	Note(s)	Amortised cost	Total
Trade and other payables Borrowings	18	200,758	200,758
Dividend payable	16	2,157,841	2,157,841
Lease liability	19	51,922	51,922
	17	57,323	57,323
		2,467,844	**2,467,844**

2022

	Note(s)	Amortised cost	Total
Trade and other payables Borrowings			
Dividend payable	18	127,863	127,863
Lease liability	16	2,396,942	2,396,942
	19	330,428	330,428
	17	30,603	30,603
		2,885,836	**2,885,836**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

35. 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;
- Liquidity risk; and
- Interest rate risk.

Credit risk

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

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

		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans receivable	7	102,127	-	102,127	61,728	-	61,728
Equity investments	10	25,357,243	-	25,357,243	19,626,034	-	19,626,034
Investment in government securities	9	15,037,876	-	15,037,876	13,589,143	-	13,589,143
Trade and other receivables	13	995,260	-	995,260	552,156	-	552,156
Other financial assets	11	1,055,000	-	1,055,000	485,000	-	485,000
Bank and cash equivalents	14	6,701,432	-	6,701,432	191,754	-	191,754
		49,248,938	**-**	**49,248,938**	**34,505,815**	**-**	**34,505,815**

2023 TZS '000
2022 TZS '000

35. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the company will not have sufficient funds to meet liabilities. The company manages liquidity risk through an on going review of future commitments and credit facilities.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2023

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	16	-	1,541,939	343,504	1,885,443	1,885,443
Lease liability	17	-	32,944	-	32,944	-
Current liabilities						
Trade and other payables	17	200,758	-	-	200,758	200,758
Borrowings	16	272,398	-	-	272,398	272,398
Dividend payable	19	51,922	-	-	51,922	51,922
Lease liability	17	24,379	-	-	24,379	24,379
		(549,457)	**(1,574,883)**	**(343,504)**	**(2,467,844)**	**(2,434,900)**

2022

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	16	-	1,348,834	809,027	2,157,861	2,157,861
Current liabilities						
Trade and other payables	18	127,863	-	-	127,863	127,863
Borrowings	16	239,081	-	-	239,081	239,081
Dividend payable	19	330,428	-	-	330,428	330,428
Lease liability	17	30,603	-	-	30,603	30,603
		(727,975)	**(1,348,834)**	**(809,027)**	**(2,885,836)**	**(2,885,836)**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

35. Financial instruments and risk management (continued)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

36. 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.

37. 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.

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