



# Annual Report **2025**

Financial statements  
for the year ended 31 December 2025

**AFRIPRISE INVESTMENT PLC**

**(Registration number 38280)**

**Financial Statements for the year ended 31 December 2025**

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**AFRIPRISE INVESTMENT PLC**

**(Registration number 38280)**

**Financial Statements for the year ended 31 December 2025**

**GENERAL INFORMATION**

**REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

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
Registered office:	24 <sup>th</sup> 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
Auditors:	Auditax International Certified Public Accountants in Public Practice Dar es Salaam
Secretary:	Peter William Kifunguomali

**(Registration number 38280)**

**Financial Statements for the year ended 31 December 2025**

## **Chairman's Statement**

### **Introduction**

On behalf of the Board of Directors, it is my distinct honor to present the Annual Report and Audited Financial Statements of AFRIPRISE Investment PLC for the financial year ended 31 December 2025. This year has been defined by a pivotal transition, as we concluded our previous strategic cycle and laid the foundation for our evolution into a diversified regional financial powerhouse.

### **A Landmark Performance and Market Re-rating**

The 2025 financial year stands as a testament to the resilience and strategic clarity of our Company. Following a successful turnaround in 2024, our momentum has remained strong. I am particularly pleased to report that our market valuation has undergone a fundamental re-rating. From a crisis low of TZS 150 in December 2022, our share price climbed to TZS 495 by December 2025, a remarkable 230% recovery. For the first time since 2021, the stock trades at a sustained premium to its Net Asset Value (NAV), signalling deep market confidence in record financial performance.

### **Strengthening Shareholder Returns**

Reflecting our commitment to delivering sustainable value, the Board has recommended a final dividend of TZS 23 per share, totaling TZS 3,356,052,360. This represents a significant upward revision from the TZS 18 per share distributed in the prior year.

### **The 2026–2028 Strategic Roadmap**

In 2025, the Board approved the 2026–2028 Strategic Plan, a roadmap designed to expand our footprint beyond Tanzania into the EAC and SADC blocs. Central to this plan is our optimized capital structure, featuring the authorization of Series A Non-Voting Redeemable Cumulative Preference Shares. This instrument will provide the long-term, non-dilutive funding required to pursue high-impact regional opportunities in agro-processing, logistics, and industrial services.

### **Commitment to Sustainability and Governance**

Our growth is not measured by financial metrics alone. We have moved from a defensive risk posture to a proactive ESG-led strategy. In 2025, we were proud to contribute to the national tree-planting campaign and achieve a paperless reporting environment through digital transformation. Furthermore, we continue to lead by example in inclusive governance, maintaining a 50% gender-balanced workforce and strong female representation on the Board.

### **Operational Resilience**

By maintaining a robust liquidity position targeting at least 120 days of cash on hand and eliminating bank borrowings, we have ensured that AFRIPRISE remains resilient against market volatility. Our focus on operational excellence through digital automation will further strengthen our ability to structure complex products and manage risk with precision.

### **Appreciation**

I would like to extend my sincere gratitude to my fellow Directors for their strategic foresight, to our management team for their disciplined execution, and to our shareholders, including our lead investor, the Public Service Social Security Fund (PSSSF), for their unwavering support.

As we step into the 2026–2028 horizon, we do so with a strengthened capital base, a modern pan-African brand, and a disciplined focus on regional opportunity. We remain committed to ensuring that AFRIPRISE Investment PLC continues to be a catalyst for sustainable socio-economic transformation.



**F. M. Magambo**  
*Chairman of the Board*

# AFRIPRISE INVESTMENT PLC

(Registration number 38280)

Financial Statements for the year ended 31 December 2025

## Chief Executive Officer's Statement

Dear Stakeholders,

The financial year 2025 has been a year of "maturing growth" for Afriprise Investment PLC. We have successfully evolved from a period of rebranding and restructuring into a profitable, high-performing listed entity with a formidable operational foundation.

### Financial Performance Overview

Afriprise demonstrated exceptional resilience in 2025. Net assets reached TZS 62.7 billion, representing 19% annual growth, surpassing our 5% Corporate Plan target. Furthermore, our market valuation experienced a significant rerating, with the share price appreciating from TZS 215 (2024) to TZS 495 by December 2025.

Table 1: Key Performance Indicators

Metric	2025	2024
Net Assets (TZS '000)	62.70	52.5
Net Profit after Tax (TZS '000)	4,520,821	3,395,505
Company Revenue (TZS '000)	5,118,532	4,219,666
Return on Investment (ROI)	8%	7%

Table 2: Shareholder Value & Market Data

Metric	2025	2024
Share Price (TZS)	495	215
Earnings Per Share (TZS)	30.98	23.33
Dividends Paid (TZS '000)	3,356,052	2,626,476

### Portfolio strategy & Asset allocation

We have rebalanced our assets to maximize stability. Equity investments rose significantly, reaching TZS 44.6 billion this year.

Table 3: Asset Allocation Breakdown (TZS '000)

Asset Class	2025	2024
Equity Investments	44,660,751	30,949,793
Government Securities	11,823,898	15,680,721
Other Financial Assets	3,297,672	2,355,000

### Operational highlights

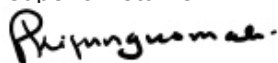
- **Industrial:** We initiated steps to acquire Mamba Ginger Growers Ltd, a ginger manufacturing plant in Kilimanjaro, marking our strategic entry into manufacturing.
- **Capital Markets:** Maintained a sharp focus on the DSE and NSE, preparing for the introduction of Exchange Traded Funds (ETFs).

### The Road ahead: Scale and Specialize

Our 2026–2028 strategy rests on three pillars:

1. **Capital Optimization:** Targeting 50–65% allocation in equities.
2. **Regional Expansion:** Pursuing M&A opportunities within East Africa.
3. **Innovation:** Democratizing investment access for Tanzanians through ETF launches.

I am incredibly proud of our team. We enter 2026 with a robust pipeline and a clear path to generating superior returns.



**Peter Kifunguomali**  
Chief Executive Officer

## **Sustainability Report**

### **Introduction**

This Sustainability Report outlines the strategic progress and achievements of AFRIPRISE Investment Public Limited Company in fostering responsible investment practices throughout the 2025 fiscal year. Following our foundational successes in 2024, we have deepened our commitment to Environmental, Social, and Governance (ESG) principles, ensuring they are not just benchmarks but core drivers of our long-term value creation.

### **Environmental Responsibility: Toward a Greener portfolio**

In 2025, we transitioned from basic resource conservation to active ecosystem restoration and green capital allocation.

#### **1. Advanced Energy Management:**

- Following our 2024 goals, we implemented Advanced Energy Management Systems (AEMS) across our corporate facilities. This resulted in an additional 10% reduction in energy intensity.

#### **2. Kilimanjaro Reforestation Project:**

- This year, AFRIPRISE significantly expanded its environmental footprint by donating to and partnering with the tree planting initiatives along the slopes of Mount Kilimanjaro.
- Our contribution supported the planting of indigenous tree species to help restore the mountain's fragile ecosystem, safeguard vital water catchments, and mitigate the effects of glacial retreat.

### **Social Responsibility: Investing in Human Potential**

Our social impact in 2025 focused on deepening communities and elevating our internal talent.

#### **Employee Evolution:**

- **Career Development:** We introduced a robust Internal Mentorship & Career Pathing program, ensuring that 100% of our staff have access to professional development tracks.
- **Diversity Excellence:** We have maintained our 50/50 gender parity and increased female representation in senior management roles, reinforcing our status as an inclusive employer of choice.

### **Governance: Integrity and Stringent Standards**

Transparency and ethical oversight remain the bedrock of our operations.

#### **1. Strengthened ESG Assessment:**

- We updated our **ESG Risk Framework** to include more stringent measures for "Social Impact," specifically auditing the labor practices and human rights records of all new potential investments.
- **Stakeholder Feedback Loop:** We implemented a new digital stakeholder engagement portal, allowing investors and community members to provide direct feedback that is reviewed quarterly by the Board.

#### **2. Ethical Investment**

- Our investment decisions are guided by a rigorous **ESG framework**, ensuring that we support businesses' strong ethical practices.
- We conduct regular ESG assessments of our portfolio companies to ensure ongoing compliance and improvement.

#### **3. Transparency and Accountability**

- We have established a transparent reporting process, providing stakeholders with regular updates on our sustainability efforts.

### **Strategic Goals for 2026-28**

<b>Category</b>	<b>2026 -28 Target</b>
<b>Environmental</b>	Achieve Carbon Neutrality for all direct corporate operations
<b>Social</b>	Launch a "Green Entrepreneurship" fund to provide seed capital for local sustainable start-ups.
<b>Governance</b>	Obtain third-party ESG certification to provide independent verification of our sustainability metrics.

## **Report by Those Charged with Governance**

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The members charged with governance (directors) have the pleasure of submitting their report on the financial statements of AFRIPRISE Investment Public Limited Company (the 'Company') for the year ended 31 December 2025. The report highlights the company's state of affairs for the year ended 31 December 2025.

### **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 investment management, focusing on investments in the equities of listed companies, including retail bonds issued by companies with a proven profitability track record, government securities, and warehousing facilities located in strategic areas. In addition, the company encourages the development of a savings culture among its shareholders by investing in the equities of strong-performing companies.

### **3. VISION**

To be a leading investment firm in Tanzania, with diversified income streams, strong liquidity, and regional reach.

### **4. MISSION**

To deliver sustainable long-term returns for shareholders through disciplined capital allocation, innovative financial solutions, and regional investment expansion.

Tagline: *Sustainable growth, disciplined allocation, regional opportunity.*

### **5. CORE VALUES**

- Accountability,
- Commitment,
- Teamwork,
- Trustworthy and
- Innovation.

### **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's 2025 net profit after tax stood at TZS 4,520,821,000. This follows a successful 2024, where the company recorded a net profit of TZS 3,395,505,000.

Revenue for the year ended 31 December 2025 rose to TZS 5,118,532,000, up 21% from TZS 4,219,666,000 in the prior year. This growth was fueled by higher dividend income resulting from the Board's strategic decision to diversify the company's investments

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**Report by Those Charged with Governance**

**7. Share capital**

	<b>2025</b>		<b>2024</b>	
<u>Authorized</u>	Number of shares			
Ordinary shares	5,000,000,000		5,000,000,000	
	2025	2024	2025	2024
<u>Issued</u>	TZS '000	TZS '000	Number of shares	
Ordinary shares	2,918,306	2,918,306	145,915,320	145,915,320
Share premium	9,828,506	9,828,506	-	-
	<b>12,746,812</b>	<b>12,746,812</b>	<b>145,915,320</b>	<b>145,915,320</b>

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

**8. Dividends**

The board of directors recommends payment of a final dividend of TZS 23 per share, amounting to TZS 3,356,052,360. This is an upward revision from the TZS 18 per share (TZS 2,626,475,760) paid out in 2024.

**9. Strategic objectives**

The Board remains committed to a robust strategic framework designed to ensure resilient growth and sustainable shareholder returns. Six key pillars anchor our strategy:

**I. Portfolio Optimization & Capital Allocation**

We have established rigorous asset allocation ranges to balance growth and stability, targeting 50-65% in Equities and 25-40% in Government Securities. To mitigate market volatility, we are implementing quarterly rebalancing and enhanced stress testing, supported by advanced data analytics to drive investment precision.

**II. Earnings Growth & Dividend Discipline**

To provide clarity and consistency for our investors, the Company is adopting a formal dividend policy targeting a payout of 50-70% of adjusted PAT. We are shifting our focus toward recurring and fee-based income streams such as advisory and management fees while aligning management incentives with Return on Equity (ROE) and EPS growth.

**III. Regional Expansion & Strategic Partnerships**

The Company is aggressively pursuing high-impact opportunities across East Africa and the SADC bloc. We maintain a disciplined pipeline of 2-4 M&A or joint venture targets annually, applying a strict 15-18% IRR hurdle. Priority is given to sectors vital to regional development, including agro-processing, logistics, and industrial services.

**IV. Risk, ESG, and Liquidity Governance**

Our governance framework now fully integrates Environmental, Social, and Governance (ESG) criteria into all investment decisions. We maintain a superior liquidity position, targeting at least 120 days of cash on hand, supported by monthly forecasting and a comprehensive, quarterly updated risk register to safeguard company assets.

**V. Operational Excellence & Digital Transformation**

We are investing in automating internal processes and upgrading our digital portfolio management systems. These initiatives are designed to improve reporting accuracy, strengthen cybersecurity, and enhance our internal capacity for complex product structuring and risk management.

**Report by Those Charged with Governance**

**9. Strategic objectives (Continued)**

**VI. Innovation & Market engagement**

The Company continues to lead in product innovation by developing structured products and SME finance solutions aligned with national priorities. We are committed to increasing our market visibility through regular investor roadshows and digital communication channels, ensuring transparent engagement with all stakeholders.

**10. Directorate**

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

<b>Directors</b>	<b>Position</b>	<b>Qualification</b>	<b>Nationality</b>
Fortunatus Makore Magambo	Chairman	Economist	Tanzanian
Prof. Lucian A. Msambichaka	Member	Economist	Tanzanian
Joseph Matanga Kahungwa	Member	Accountant	Tanzanian
Magdalene N. E. Mkocho	Member	Agric-Economist	Tanzanian
Nathan E. Mnyawami	Member	Economist	Tanzanian
CPA. Vicent Minja	Member	Accountant	Tanzanian
Adv. Valentino Daudi	Member	Lawyer	Tanzanian

**11. Events after the reporting period**

In accordance with standard reporting practices, the directors note that there have been no subsequent material events to report from the end of the fiscal year to the present date.

**12. Secretary**

As of 31 December 2025, Peter William Kifunguomali remained the Company Secretary of AFRIPRISE Investment PLC.

**13. Political and charitable donations**

As part of our broader ESG commitment, the Company invested in a tree-planting campaign during 2025 to support local ecosystem restoration. This marks a strategic shift from 2024, when no charitable donations were issued. We confirm that no funds were directed toward political contributions, in line with corporate policy."

**14. Risk management and internal control**

The Company employs a comprehensive risk management framework designed to identify, assess, and mitigate potential threats to our strategic objectives. Our approach ensures that risk-taking is deliberate, transparent, and aligned with our long-term value creation goals.

**Market and Interest Rate Risk**

- **Nature of Risk:** Potential volatility in equity and bond valuations, fluctuations in interest rates, and variability in lending yields.
- **Mitigation Strategy:** We maintain a disciplined investment policy centered on asset diversification and dynamic portfolio rebalancing. Regular stress testing and the enforcement of strict risk limits allow us to navigate market shifts while protecting capital.

**Report by Those Charged with Governance**

**14. Risk management and internal control (Continued)**

**Liquidity Risk**

- **Nature of risk:** The risk of having insufficient liquid assets to meet operational obligations or capitalize on immediate investment opportunities.
- **Mitigation strategy:** The Company maintains a robust liquidity buffer, targeting a minimum of 120 days of cash on hand. This is supported by monthly cash flow forecasting and a strategic allocation to highly liquid government securities.

**Execution and Strategic Risk**

- **Nature of risk:** Potential delays or failures in capital-raising initiatives, new product launches, or the execution of M&A transactions.
- **Mitigation strategy:** We utilize detailed project management protocols with clearly defined accountability and milestone tracking. Strategic projects are subject to rigorous escalation protocols and regular Board oversight to ensure timely delivery.

**Regulatory and Compliance Risk**

- **Nature of risk:** Risks associated with evolving regulatory environments or delays in obtaining necessary statutory approvals.
- **Mitigation strategy:** AFRIPRISE maintains a proactive relationship with all relevant regulators, including the CMSA and DSE. Our strong internal compliance culture and legal oversight ensure early engagement and full adherence to all governing laws.

**Concentration Risk**

- **Nature of risk:** Excessive exposure to any single issuer, sector, or geographical region.
- **Mitigation strategy:** The Board has established strict counterparty and sector allocation limits. These exposures are reviewed quarterly to ensure the portfolio remains diversified and resilient against localized shocks.

**ESG and Reputational Risk**

- **Nature of risk:** The potential for investments or corporate actions to conflict with Environmental, Social, and Governance (ESG) standards or stakeholder expectations.
- **Mitigation strategy:** We have integrated formal ESG screening into our due diligence process. By adhering to our core values and maintaining transparent communication, we ensure that our operations contribute positively to society while protecting our corporate brand.

**15. Directors' interests in shares**

As at 31 December 2025, the direct beneficial interests held by the directors in the issued share capital of the company are detailed below:

<b>Interests in shares</b>	<b>2025</b>	<b>2024</b>
<b>Directors</b>	Direct	Direct
Prof. Lucian A. Msambichaka	131,760	131,760
Joseph Matanga Kahungwa	81,200	81,200
Magdalene N. E. Mkocha	204,724	204,724
Nathan E. Mnyawami	42,150	42,150
	<u>459,834</u>	<u>459,834</u>

- PSSF Representation: Fortunatus Magambo and Valentino Maganga represent the Public Service Social Security Fund, which holds 65,661,894 shares (45% of issued capital).
- TCCIA Representation: CPA Vicent Bruno Minja represents TCCIA, which holds 701,333 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, effectively applied and are in compliance with acceptable good corporate governance principles.

During the year under review the board met five (5) times, of which four (4) were ordinary meetings and one (1) 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 extraordinary meetings included discussion and approval of the annual plan and budget, annual audited accounts and new projects.

Board of directors and attendance in 2025;

<b>Directors</b>	<b>Position</b>	<b>Total Meetings</b>	<b>No. of Meetings Attended</b>
Fortunatus Makore Magambo	Chairman	5	4
Prof. Lucian A. Msambichaka	Member	5	5
Joseph Matanga Kahungwa	Member	5	5
Magdalene N. E. Mkocho	Member	5	5
Nathan E. Mnyawami	Member	5	4
Adv. Valentino Daudi	Member	5	4
CPA. Vicent Minja	Member	5	4
Mr. Peter W. Kifunguomali	Secretary	5	5

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
Adv. Valentino Daudi	Member

The Investment committee held four (4) 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
Magdalene N. E. Mkocho	Member
CPA. Vicent Minja	Member

## **Report by Those Charged with Governance**

### **16. Corporate governance (Continued)**

The committee met four (4) times to discuss and adopt the quarterly Internal audit reports which were prepared by the Internal auditor and also the draft annual accounts.

#### **Board Strategic Governance**

In 2025, the Board focused on closing the 2023–2025 Strategic Plan and ratifying a transformative roadmap for the 2026–2028 period. This transition marks the Company's evolution from a traditional investment house into a diversified regional financial powerhouse.

#### **Strategy Approval: The 2026–2028 Roadmap**

The Board approved a new triennial plan centered on regional expansion and capital optimization:

- **Capital Structuring:** Authorized Series A Non-Voting Redeemable Cumulative Preference Shares to secure long-term funding for high-impact projects.
- **Regional Penetration:** Mandated deeper investment footprints across the EAC and SADC blocs.

#### **Performance Review: 2023–2025 Strategic Successes**

A rigorous review of the outgoing cycle highlighted significant financial and operational milestones:

- **Profitability:** Directed a turnaround with net profit rising from TZS 1.98 billion (2023) to TZS 3.40 billion (2024) and then TZS 4.52 billion (2025).
- **Revenue:** Achieved a 37% year-on-year increase, totaling TZS 4.22 billion in 2024. Then, achieved a 21% year-on-year increase in 2025, to TZS 5.11 billion.
- **Capital Growth:** Managed a TZS 10 billion Rights Issue that doubled the issued share capital.
- **Rebranding:** Successfully transitioned to AFRIPRISE Investment PLC, establishing a modern, pan-African identity.

#### **Strategic Outlook and Gap analysis**

The Board utilized a formal gap analysis to strengthen future governance:

- **Risk Resilience:** Prioritized deeper ESG integration and robust liquidity management (maintaining a 120-day cash buffer) as core strategic pillars.
- **Governance Strength:** Confirmed that the Company's strengthened capital base and streamlined structure provide the necessary foundation for aggressive regional growth.

### **17. Compliance with laws and regulation**

The Company fulfilled all legal obligations under the Tanzanian Companies Act of 2002 and maintained rigorous compliance with the guidelines and regulations issued by the Capital Markets and Securities Authority (CMSA) and the Dar es Salaam Stock Exchange (DSE). Additionally, the Company remained fully compliant with all fiscal laws and regulations as mandated by the Tanzania Revenue Authority (TRA), ensuring the timely filing and settlement of all tax obligations, thereby upholding the integrity of its market standing and safeguarding stakeholder interests.

### **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**

As of 31 December 2025, the Company's authorized share capital remained at TZS 100 billion. This capital base is comprised of 5,000,000,000 ordinary shares, each with a par value of TZS 20.

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	2025 TZS '000	2024 TZS '000
<b>Authorized</b>		
5,000,000,000 ordinary shares of TZS 20 each	100,000,000	100,000,000
<b>Issued, subscribed and paid up</b>		
145,915,320 (2024: 145,915,320) ordinary shares of TZS 20 each	2,918,306	2,918,306
Share premium	9,828,506	9,828,506
	<b><u>12,746,812</u></b>	<b><u>12,746,812</u></b>

Shareholding Structure	Shares Held	Percentage Share	TZS '000
PSSSF	65,661,894	45.00%	1,313,238
Abbasi Exports Limited	17,639,158	12.10%	352,783
Joyce Mwita Gachuma	14,423,911	9.90%	288,478
Amin Mohamed Valji	2,110,000	1.40%	42,200
iGrowth Managed Fund	1,616,420	1.10%	32,328
Fayaz Feroz Rashid	1,236,400	0.80%	24,728
Other Shareholders (less than 1.5)	43,227,537	29.60%	864,551
	<b><u>145,915,320</u></b>	<b><u>100%</u></b>	<b><u>2,918,306</u></b>

**20. Stock exchange information**

The Board is pleased to report a substantial recovery in shareholder value, evidenced by a **230% increase** in share price since the December 2022 low. Reaching **TZS 495** in December 2025, the stock now trades at a sustained premium to its net asset value. We attribute this fundamental market re-rating to the successful execution of our strategic pillars, including the transition to **AFRIPRISE Investment PLC**, the full repayment of all bank borrowings, and the delivery of superior earnings growth.

**21. Sustainable business and Environmental stewardship**

At AFRIPRISE Investment PLC, we believe that long-term value creation is inextricably linked to the sustainability of the ecosystems and communities in which we operate. In 2025, we transitioned from a defensive risk-management approach to a proactive ESG-led investment strategy, ensuring that our capital is allocated toward entities with proven environmental and safety track records. A hallmark of our commitment this year was a contribution to a national tree-planting campaign, a strategic move to offset our operational footprint and support national reforestation goals. Furthermore, we have successfully institutionalized a paperless reporting environment by adopting digital portfolio management systems, thereby significantly reducing our physical waste. By integrating ESG criteria into our core investment due diligence and prioritizing "climate-smart" technologies, we ensure that AFRIPRISE remains a catalyst for sustainable socio-economic transformation across Africa.

**22. Going concern statement**

The directors have reviewed the company's financial position and are confident that **AFRIPRISE Investment PLC** possesses adequate resources to maintain operational existence for the foreseeable future. This assessment is supported by the company's robust liquidity profile, including a 120-day cash-on-hand buffer and the strategic elimination of significant bank borrowings.

The financial statements have been prepared on a going concern basis, as the directors have a reasonable expectation that the company has access to sufficient facilities to meet its investment commitments and administrative obligations.

## **Report by Those Charged with Governance**

### **22. Going concern statement (Continued)**

Furthermore, the board is not aware of any material non-compliance with statutory requirements or pending legislative changes that would adversely impact the company's ability to continue its operations.

### **23. Employees' welfare**

Includes training sponsorship, staff loans/advances, financial assistance for bereavement, PSSSF retirement contributions, and medical insurance through NHIF. As at 31 December 2025, the company had 6 employees (3 male, 3 female).

### **24. Gender Parity and Inclusion**

AFRIPRISE Investment PLC remains dedicated to workplace diversity and inclusion as a core corporate value. As of 31 December 2025, the Company has successfully maintained a gender-balanced workforce, with women comprising 50% of all employees. This commitment to gender parity is reflected at the highest levels of governance through significant female representation on the Board of Directors.

### **25. Environmental, Social, and Governance (ESG) Statement**

AFRIPRISE Investment PLC remains deeply conscious of its impact on society and the environment, ensuring that ESG principles are integrated into every facet of our operations.

### **26. Future development activities**

The board continues to diversify the portfolio into fixed-income financial instruments (government securities). It is also exploring new sectors, including industrial, import/export, and bond trading.

### **27. Safeguarding of company's assets**

The directors bear primary responsibility for protecting and preserving the company's assets. To ensure a secure operating environment, the Board has approved various policies, including financial regulations and investment policies, which are reviewed periodically to adapt to changing market dynamics.

Key highlights regarding asset safeguarding include:

- **Internal Control Environment:** The company utilizes diverse policies to strengthen its control environment and manage risks.
- **Audit Oversight:** An outsourced internal audit function reports to the Board Audit Committee to monitor and direct corrective measures.
- **Integrity of Assets:** No material incidents of fraud were reported during the year under review.
- **Policy Evolution:** Management maintains sound internal control through updated operational manuals, guidelines, and procedural policies.


### **28. Related party transactions**

Consistent with our commitment to transparency and regulatory compliance, a detailed breakdown of all related party transactions and year-end balances is provided in Note 34 of the financial statements.

**Report by Those Charged with Governance**


**29. Board Responsibility & Approval**

The Directors confirm that the financial statements fairly present the situation of the Company and comply with all applicable reporting standards. The financial statements on pages 19 to 53 were approved by the Board on ..... and are signed on its behalf by:

  
\_\_\_\_\_  
Fortunatus Makore Magambo  
Director

Date: **Monday, 30 May 2026**

\_\_\_\_\_

  
\_\_\_\_\_  
Prof. Lucian A. Msambichaka  
Director

Date: **Monday, 30 May 2026**

\_\_\_\_\_

## **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 flow 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 judgments 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 2025 and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors, and their report is presented on pages 17 to 18.

The financial statements set out on pages 19 to 53, 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:



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**Fortunatus Makore Magambo**  
**Director**

**Date** 30 May 2026

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**Prof. Lucian A. Msambichaka**  
**Director**

**Date** 30 May 2026

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**AFRIPRISE INVESTMENT PLC**  
**(Registration number 38280)**  
**Financial Statements for the year ended 31 December 2025**

**Declaration of the Head of Finance and 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 2025 and for the year then ended hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2025 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:** 30 May 2026



## **Report of the Independent Auditors**

### **To the Members of Afriprise Investment Plc**

#### *Opinion*

We have audited the financial statements of Afriprise Investment Plc, set out on pages 19 to 53, which comprise the statement of financial position as at 31 December 2025, and the statement of 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 my opinion, the accompanying financial statements give a true and fair view of the financial position of the company as of 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act 2002.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants 'Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 judgment, 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 there on, and we do not provide separate opinion on these matters.

We have fulfilled the responsibilities described in the auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to this matter. There were no key audit matters to report during the year ended 31 December 2025.

#### *Other Information included in the Company's Annual Report*

The other information comprises the Company Information, Director's Report, Statement of Directors' Responsibilities and Declaration by Head of Finance. The other information does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of 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 material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## REPORT OF THE INDEPENDENT AUDITORS

### TO THE MEMBERS OF AFRIPRISE INVESTMENT PLC (CONTINUED)

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *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 of Tanzania and for no other purposes.

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

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books;
- The Directors' report is consistent with the financial statements;
- Information specified by laws regarding directors' remuneration and transactions with the Company is disclosed; and,
- The company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Khalfani Mbwambo.



Auditax International  
Certified Public Accountants (T)  
Dar es Salaam



Signed by: **Khalfani Mbwambo (ACPA-PP)**

..... 11 June .....2026

**NBAA Registration No. ACPA-PP 3224**

**AFRIPRISE INVESTMENT PLC****(Registration number 38280)****Financial Statements for the year ended 31 December 2025****Statement of Financial Position as at 31 December 2025**

		2025	2024
	Note(s)	TZS '000	TZS '000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	222,835	115,766
Investment property	5	212,112	212,112
Right of use asset	8	74,578	40,553
Intangible assets	6	-	1,027
Loans receivable	7	-	47,957
Equity investments	10	44,660,751	30,949,793
Investment in government securities	9	11,823,898	15,680,721
Other financial assets	12	1,700,000	1,200,000
		<u>58,694,174</u>	<u>48,247,929</u>
<b>Current Assets</b>			
Loans receivable	7	54,241	36,340
Trade and other receivables	14	1,635,656	669,164
Current tax receivable		350,857	333,423
Other financial assets	12	1,442,672	1,155,000
Cash and cash equivalents	15	670,593	2,241,156
		<u>4,154,019</u>	<u>4,435,083</u>
<b>Total Assets</b>		<u>62,848,193</u>	<u>52,683,012</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	16	12,746,812	12,746,812
Reserves		23,172,051	14,912,266
Retained income		26,783,756	24,889,411
		<u>62,702,619</u>	<u>52,548,489</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred tax	13	1,784	1,784
Lease liability	17	-	-
		<u>1,784</u>	<u>1,784</u>
<b>Current Liabilities</b>			
Trade and other payables	18	25,724	36,539
Dividend payable	19	43,488	47,406
Lease liability	17	74,578	48,794
		<u>143,790</u>	<u>132,739</u>
<b>Total Liabilities</b>		<u>145,574</u>	<u>134,523</u>
<b>Total Equity and Liabilities</b>		<u>62,848,193</u>	<u>52,683,012</u>

**AFRIPRISE INVESTMENT PLC**  
**(Registration number 38280)**  
**Financial Statements for the year ended 31 December 2025**

**Statement of Profit or Loss and Other Comprehensive Income**

		2025	2024
	Note(s)	TZS '000	TZS '000
Income	20	5,118,532	4,219,666
Other operating income	21	1,002,111	466,937
Equity transaction costs	22	(18,507)	-
Operating expenses	23	(1,439,740)	(1,172,578)
<b>Operating profit</b>		<b>4,662,396</b>	<b>3,514,025</b>
Finance costs	26	(2,335)	(10,079)
<b>Profit before taxation</b>		<b>4,660,061</b>	<b>3,503,946</b>
Taxation	27	(139,240)	(108,441)
<b>Profit for the year</b>		<b>4,520,821</b>	<b>3,395,505</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains on valuation of investments in equity instruments		<b>8,259,785</b>	3,533,903
<b>Other comprehensive income for the year's net of taxation</b>		<b>8,259,785</b>	3,533,903
<b>Total comprehensive income for the year</b>		<b>12,780,606</b>	<b>6,929,408</b>
<b>Basic and diluted earnings per share</b>	<b>2</b>	<b>30.98</b>	23.33

**AFRIPRISE INVESTMENT PLC**  
**(Registration number 38280)**  
**Financial Statements for the year ended 31 December 2025**

**Statement of Changes in Equity**

	Share capital	Share premium	Total share capital	Fair valuation reserve	IPO Cost	Total (Reserves and IPO Cost)	Retained income	Total equity
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Balance at 1 January 2024</b>	2,918,306	9,828,506	12,746,812	13,788,914	(1,229,088)	12,559,826	22,218,290	47,524,928
Profit for the year	-	-	-	-	-	-	3,395,505	3,395,505
Other comprehensive income	-	-	-	3,533,903	-	3,533,903	-	3,533,903
<b>Total comprehensive income for the year</b>	<b>2,918,306</b>	<b>9,828,506</b>	<b>12,746,812</b>	<b>17,322,817</b>	<b>(1,229,088)</b>	<b>16,093,729</b>	<b>25,613,795</b>	<b>6,929,408</b>
Transfer between reserves	-	-	-	(1,181,463)	-	(1,181,463)	1,181,463	-
Dividends	-	-	-	-	-	-	(1,905,847)	(1,905,847)
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,181,463)</b>	<b>-</b>	<b>(1,181,463)</b>	<b>(724,384)</b>	<b>(1,905,847)</b>
<b>Balance at 31 December 2024</b>	<b>2,918,306</b>	<b>9,828,506</b>	<b>12,746,812</b>	<b>16,141,354</b>	<b>(1,229,088)</b>	<b>14,912,266</b>	<b>24,889,411</b>	<b>52,548,489</b>
<b>Balance at 1 January 2025</b>	2,918,306	9,828,506	12,746,812	16,141,354	(1,229,088)	14,912,266	24,889,411	52,548,489
Profit for the year	-	-	-	-	-	-	4,520,821	4,520,821
Other comprehensive income	-	-	-	8,259,785	-	8,259,785	-	8,259,785
<b>Total comprehensive income for the year</b>	<b>2,918,306</b>	<b>9,828,506</b>	<b>12,746,812</b>	<b>24,401,139</b>	<b>(1,229,088)</b>	<b>23,172,051</b>	<b>29,410,232</b>	<b>65,329,095</b>
Transfer between reserves	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(2,626,476)	(2,626,476)
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,626,476)</b>	<b>(2,626,476)</b>
<b>Balance at 31 December 2025</b>	<b>2,918,306</b>	<b>9,828,506</b>	<b>12,746,812</b>	<b>24,401,139</b>	<b>(1,229,088)</b>	<b>23,172,051</b>	<b>26,783,756</b>	<b>62,702,619</b>
Note(s)	16	16	16					

**AFRIPRISE INVESTMENT PLC**  
**(Registration number 38280)**  
**Financial Statements for the year ended 31 December 2025**

**Statement of Cash Flows**

	Note(s)	2025 TZS '000	2024 TZS '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	3,771,144	3,786,230
Finance costs		(2,335)	(10,079)
Tax paid	29	(156,673)	(133,700)
<b>Net cash from operating activities</b>		<b>3,612,136</b>	<b>3,642,451</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(151,543)	(37,467)
Sale of investment property	5	-	9,235
Acquisition of right of use asset	8	(74,578)	(74,866)
Disposal of right of use asset	8	-	57,322
Movement in government securities		3,856,823	(642,845)
Movement in equity investments		(13,710,958)	(5,592,550)
Movement in loans receivable		30,056	17,830
Acquisition of other investments		(787,674)	(1,300,000)
Net proceeds on disposal of equity investments		8,259,785	3,533,904
<b>Net cash from investing activities</b>		<b>(2,578,089)</b>	<b>(4,029,437)</b>
<b>Cash flows from financing activities</b>			
Movement in borrowings		-	(2,157,841)
Movement in lease liability		25,784	(8,529)
Dividends paid	30	(2,630,394)	(1,910,363)
<b>Net cash from financing activities</b>		<b>(2,604,610)</b>	<b>(4,076,733)</b>
<b>Total cash movement for the year</b>		<b>(1,570,563)</b>	<b>(4,463,719)</b>
Cash at the beginning of the year		2,241,156	6,704,875
<b>Total cash at end of the year</b>	15	<b>670,593</b>	<b>2,241,156</b>

## **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 as part of rebranding process during the current year.

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on date of this report.

### **1. Material accounting policies information**

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 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
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:

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
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.

## **Accounting Policies**

### **1.4. Intangible assets**

An intangible asset is recognised when:

- 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:

<b>Item</b>	<b>Average useful life</b>
Computer software	4 years

## **Accounting Policies**

### **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).

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:

#### **Debt instruments**

Classification

The company holds certain investments in government and retail bonds which are classified as subsequently measured at amortised (note 9&12).

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.

## **Accounting Policies**

### **Financial instruments (continued)**

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).

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.

## **Accounting Policies**

### **Financial instruments (continued)**

#### **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 other comprehensive income.

The company assesses expected credit losses on financial assets measured at amortized cost. ECL is recognized when there is a reasonable expectation of credit loss based on historical experience, current conditions, and forward-looking information. Where credit risk is assessed as insignificant or financial instruments have minimal credit exposure, ECL may not be recognized if amounts would be immaterial to the financial statements.

#### **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.

#### **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 14).

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.

## **Accounting Policies**

### **Financial instruments (continued)**

#### **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.

#### **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.

The company assesses expected credit losses on financial assets measured at amortized cost. ECL is recognized when there is a reasonable expectation of credit loss based on historical experience, current conditions, and forward-looking information. Where credit risk is assessed as insignificant or financial instruments have minimal credit exposure, ECL may not be recognized if amounts would be immaterial to the financial statements.

## **Accounting Policies**

### **Financial instruments (continued)**

#### **Credit risk**

Details of credit risk are included in the trade and other receivables note (note 14) 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.

#### **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&11.

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 17), 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 25).

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.

#### **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 reclassification.

##### **Financial liabilities**

Financial liabilities are not reclassified.

## **Accounting Policies**

### **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.

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.

## **Accounting Policies**

### **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:

## **Accounting Policies**

### **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 31.

## **Accounting Policies**

### **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
- Capital gain from sale of government securities and equity investments

### **1.13. Borrowing costs**

All 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**

Basic earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders of the parent entity, divided by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders of the parent entity, divided by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of dilutive shares resulting from share options and other potential ordinary shares outstanding during the year.

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 attributable to shareholders	4,520,821	3,404,739
Weighted average number of shares	145,915,320	145,915,320
Basic and diluted earnings per share	30.98	23.33

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

## **Notes to the Financial Statements**

### **3. New Standards and Interpretations**

#### **1.1 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:

##### **(i) Lack of Exchangeability – Amendments to IAS 21**

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable,
- the spot exchange rate used,
- the estimation process, and
- risks to the company because the currency is not exchangeable.

Effective for annual reporting periods beginning on or after 1 January 2025.

#### **1.2 New and revised IFRS Standards in issue but not yet effective**

##### **(i) Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7**

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

And on settlement by electronic payments, consider a company that settles its trade payable by using an electronic payment system.

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted

##### **(ii) Contracts Referencing Nature dependent Electricity – Amendments to IFRS 9 and IFRS 7**

The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period.

The amendments apply retrospectively using facts and circumstances at the beginning of the reporting period of initial application (without requiring prior periods to be restated).

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

## **Notes to the Financial Statements**

### **3.2 New and revised IFRS Standards in issue but not yet effective (Continued)**

#### **(iii) Annual Improvements to IFRS Accounting Standards – Volume 11**

The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.

Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price.

The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15.

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted

#### **(iv) IFRS 18 Presentation and Disclosure in Financial Statements**

Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies.

IFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on a company's main business activities.

Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

#### **(v) IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date: it does not have public accountability; and its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

## **Notes to the Financial Statements**

### **3.2 New and revised IFRS Standards in issue but not yet effective (Continued)**

#### **(vi) Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21**

Under the amendments, a company with a non-hyperinflationary functional currency but a hyperinflationary presentation currency translates all the financial statement amounts (including comparatives) using the closing rate at the latest reporting date.

The final amendments also provide guidance for a company with hyperinflationary functional and presentation currencies that has a foreign operation with a non-hyperinflationary functional currency. In this case, the company:

- restates the comparative information of the foreign operation included in the company's previously issued financial statements by applying the general price index under paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies; and
- translates all amounts of the foreign operation other than comparatives using the closing rate at the latest reporting date.

#### **The company is also required to disclose:**

- that the amendments have been applied in translating financial statements; and, when applicable,
- summarised financial information about its foreign operations affected by the translation method.

Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

**Notes to the Financial Statements**

**4. Property, plant and equipment**

**Summary of property, plant and equipment**

	2025			2,024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	38,750	(20,479)	18,271	34,720	(18,013)	16,707
Motor vehicles	228,484	(85,290)	143,194	115,150	(66,020)	49,130
Office equipment	31,359	(12,253)	19,107	29,347	(9,655)	19,692
IT equipment	113,009	(78,391)	34,619	86,206	(58,959)	27,247
Printers	12,636	(4,992)	7,644	7,273	(4,283)	2,990
<b>Total</b>	<b>424,239</b>	<b>(201,404)</b>	<b>222,835</b>	<b>272,696</b>	<b>(156,930)</b>	<b>115,766</b>

**Reconciliation of property, plant and equipment – 2025**

	Opening balance	Additions	Depreciation	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Furniture and fixtures	16,707	4,030	(2,466)	18,271
Motor vehicles	49,130	113,334	(19,270)	143,194
Office equipment	19,692	2,012	(2,598)	19,107
IT equipment	27,247	26,803	(19,432)	34,619
Printers	2,990	5,363	(709)	7,644
	<b>115,766</b>	<b>151,543</b>	<b>(44,474)</b>	<b>222,835</b>

**5. Investment property**

	2025			2024		
	Cost /Valuation	Accumulated depreciation	Carrying value	Cost /Valuation	Accumulated depreciation	Carrying value
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Investment property	212,112	-	212,112	212,112	-	212,112

**Reconciliation of investment property – 2025**

	Opening balance	Write-off	Total
	TZS '000	TZS '000	TZS '000
Investment property	212,112	-	212,112

The company owns 1 piece of land namely;  
Plot No 3 Block A, Mtepwezi Mtwara Municipality with title number 15772;

**6. Intangible assets**

	2025			2024		
	Cost /Valuation	Accumulated depreciation	Carrying value	Cost /Valuation	Accumulated depreciation	Carrying value
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Computer software	8,053	(8,053)	-	8,053	(7,026)	1,027

**Reconciliation of intangible assets - 2025**

	Opening balance	Additions	Amortization	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Computer software	1,027	-	(1,027)	-

**Notes to the Financial Statements**

**7. Loans receivable**

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

	<b>2025</b>	2024
	<b>TZS '000</b>	TZS '000
Loans receivable	<b>54,241</b>	84,297
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.		

**Split between non-current and current portions**

Non-current assets	-	47,957
Current assets	<b>54,241</b>	36,340
	<b>54,241</b>	84,297

**8. Right of use asset**

	2025	2024
	TZS '000	TZS '000
Opening balance	74,866	114,646
Additions	74,578	74,866
Expired lease contract	(74,866)	(114,646)
	<b>74,578</b>	<b>74,866</b>

**Accumulated amortisation**

Opening balance	(34,313)	(54,935)
Expired lease contract	-	57,324
Amortisation - Leased	(40,553)	(36,702)
	<b>(74,866)</b>	<b>(34,313)</b>

**Carrying value**

Opening balance	40,553	59,711
Additions	74,578	74,866
Expired lease contract	-	(57,322)
Amortisation - Leased	(40,553)	(36,702)
	<b>74,578</b>	<b>40,553</b>

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 2025 has been accounted for under the statement of profit or loss and other comprehensive income.

**9. Investment in Government Securities**

	<b>2025</b>	2024
	<b>TZS '000</b>	TZS '000
Government securities	<b>11,823,898</b>	15,680,721

## Notes to the Financial Statements

### 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 TZS 11,753 million (2024: TZS 15,473 million) with variable maturity of maximum 25 years and minimum 2 years. No government securities are pledged as securities during the year.

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

	2025 TZS '000	2024 TZS '000
Equity investments at fair value through other comprehensive income	<b>44,660,751</b>	30,949,793

#### Listed shares breakdown

	2025 <u>Fair value</u>	2025 <u>Dividend income</u>	2024 <u>Fair value</u>	2024 <u>Dividend income</u>
Tanzania Breweries Limited (TBL)	9,516,690	1,244,333	7,829,415	761,624
Tanzania Cigarette Company Limited (TCC)	3,486,360	324,721	5,810,600	170,864
Tanzania Portland Cement Company Limited (TPCC)	545,107	52,482	318,053	34,455
Swissport Tanzania Public Limited Company (Swiss)	231,254	7,173	111,570	5,206
Dar es Salaam Community Bank (DCB)	408,000	-	228,089	-
National Microfinance Bank Public Limited Company (NMB)	18,425,629	1,068,231	13,593,913	917,729
CRDB Bank Public Limited Company (CRDB)	3,672,000	74,750	335,335	99,953
Dar es Salaam Stock Exchange (DSE)	4,198,022	73,686	1,149,641	40,329
National Investments PLC (NICO)	2,237	132	382,070	49,442
BK Group Plc	107,243	-	80,219	-
KCB Group Plc	664,641	21,042	410,708	18,043
Safaricom Plc	659,648	17,163	387,464	22,069
Equity Group Holdings Plc	274,940	18,454	194,304	-
British American Tobacco Kenya Plc	141,129	-	112,912	1,440
KCB Group DSE	1,120,500	-	-	-
Mkombozi Commercial Bank plc (MKCB)	94,351	-	-	-
Vertex ETF	607,500	-	-	-
iTrust ETF	500,000	-	-	-
	<b>44,655,250</b>	<b>2,902,166</b>	<b>30,944,293</b>	<b>2,121,154</b>

#### Unlisted shares

Mwanza Community Investment Plc	5,500	-	5,500	-
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**Notes to the Financial Statements**

**11. Fair value information Fair value hierarchy**

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:  
Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

		2025	2024
		TZS '000	TZS '000
<b>Level 1</b>			
<b>Fair value measurements</b>			
<b>Assets</b>	Note(s)		
<b>Equity investments at fair value through other comprehensive income</b>	10		
Listed shares		44,655,251	30,944,293
<b>Total</b>		<b>44,655,251</b>	<b>30,944,293</b>
<b>Level 3</b>			
<b>Fair value measurements</b>			
<b>Assets</b>	Note(s)		
<b>Equity investments at fair value through other comprehensive income</b>	10		
Unlisted shares		5,500	5,500
<b>Total</b>		<b>5,500</b>	<b>5,500</b>

**12. Other financial assets**

	2025	2024
	TZS '000	TZS '000
<b>At amortised cost</b>		
Corporate Bonds	-	1,200,000
SUKUK issued by Imaan Finance Limited with maturity in 2-3 years. Interest at 9% -11% per annum, payable semi-annually.	1,700,000	
Fixed Deposits - CRDB Bank Plc TZS fixed deposits for 12 months' period that attract fixed bank interest rates.	200,000	305,000
iCash Investment - iTrust Finance Limited	1,242,672	850,000
	<b>3,142,672</b>	<b>2,355,000</b>
<b>Split between non-current and current</b>		
Non-current asset	1,700,000	1,200,000
Current asset	1,442,672	1,155,000
	<b>3,142,672</b>	<b>2,355,000</b>

**Notes to the Financial Statements**

**13. 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:

	2025 TZS '000	2024 TZS '000
Deferred tax liability	<u>(1,784)</u>	<u>(1,784)</u>
<b>Reconciliation of deferred tax asset / (liability)</b>		
At beginning of year	(1,784)	(1,784)
Prior year Adjustment	376,025	-
Restated Balance	<u>374,241</u>	<u>(1,784)</u>
Charge to P/L	4,345	-
<b>Closing Balance asset/(liability)</b>	<u>378,587</u>	<u>(1784)</u>

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.

**14. Trade and other receivables**

	2025 TZS '000	2024 TZS '000
<b>Financial instruments:</b>		
Accrued income	552,129	615,818
Deposits held with brokers	2,084	14,223
<b>Non-financial instruments:</b>		
Pre-Acquisition advance	1,041,942	-
Employee costs in advance	39,501	39,123
<b>Total trade and other receivables</b>	<u>1,635,656</u>	<u>669,164</u>
<b>Split between non-current and current portions</b>		
Current assets	<u>1,635,656</u>	<u>669,164</u>

**15. Cash and cash equivalents**

	2025 TZS '000	2024 TZS '000
<b>15. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	1,420	6,260
Bank balances	669,173	234,896
Short-term deposits*	-	2,000,000
	<u>670,593</u>	<u>2,241,156</u>

**16. Share capital**

	2025 TZS '000	2024 TZS '000
<b>Authorised</b>		
5,000,000,000 Ordinary shares of TZS 20 each	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued</b>		
145,915,320 (2024: 145,915,320) ordinary shares of TZS 20 each	2,918,306	2,918,306
Share premium	9,828,506	9,828,506
	<u>12,746,812</u>	<u>12,746,812</u>

**Notes to the Financial Statements**

**17. Lease liabilities**

	2025	2024
	TZS '000	TZS '000
Office space		
Opening balance	48,794	57,323
Addition/recognition	74,866	74,866
Interest	2,335	6,304
Payment	(51,417)	(89,699)
<b>Closing balance</b>	<b>74,578</b>	<b>48,794</b>

	Less than 1 year	1 to 2 years
<b>Maturity analysis</b>		
Office lease - PSSF	74,578	-

**18. Trade and other payables**

	2025	2024
	TZS '000	TZS '000
Trade payables	-	1
Accruals	25,724	36,538
	<b>25,724</b>	<b>36,539</b>

**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 23 per share, amounting to TZS 3,356,052,360. In 2024, dividend of TZS 18 per share, amounting to TZS 2,626,475,760 was approved and paid.

As at 31 December 2025, the outstanding dividend amount is TZS 43.5 million (2024: TZS 47.4 million). The company is continuously making necessary efforts to reach the respective shareholders.

**20. Revenue**

	2025	2024
	TZS '000	TZS '000
<b>Income from Investments</b>		
Interest income	2,112,680	2,098,511
Dividend income	3,005,852	2,121,155
	<b>5,118,532</b>	<b>4,219,666</b>

**Notes to the Financial Statements**

**21. Other operating income**

	2025	2024
	TZS '000	TZS '000
Gain on disposal of government securities	<u>1,002,111</u>	<u>466,937</u>

**22. Equity transaction costs**

	2025	2024
	TZS '000	TZS '000
Equity transaction costs	<u>18,507</u>	<u>-</u>

**23. Operating expenses**

	2025	2024
	TZS '000	TZS '000
Administration cost	542,160	512,585
Business development cost	155,422	-
Employment costs (Note 24)	592,383	530,949
Depreciation and amortization (Note 25)	86,054	69,484
Director's fee	37,997	33,600
Auditor's remuneration	25,724	25,960
	<u>1,439,740</u>	<u>1,172,578</u>

**24. Employee costs**

	2025	2024
	TZS '000	TZS '000
Salaries	398,895	375,905
Medical expenses	36,598	33,602
Workers Compensation Fund	1,881	2,151
Gratuity expenses	39,930	24,664
Leave allowance	28,921	27,751
Staff training expenses	46,698	31,717
Pension fund: PSSF	39,461	35,158
	<u>592,383</u>	<u>530,948</u>

**25. Depreciation and amortization**

	2025	2024
	TZS '000	TZS '000
<b>Depreciation</b>		
Property, plant and equipment	<u>44,475</u>	<u>30,769</u>

**Amortisation**

Right of use assets	40,552	36,702
Intangible assets	1,027	2,013
	<u>41,579</u>	<u>38,715</u>

**Total depreciation, amortisation and impairment**

Depreciation	44,475	30,769
Amortisation	41,579	38,715
	<u>86,054</u>	<u>69,484</u>

**Notes to the Financial Statements**

**26. Finance costs**

	2025	2024
	TZS '000	TZS '000
Interest expenses on borrowings	-	3,774
Interest on lease liability	<b>2,335</b>	6,305
<b>Total finance costs</b>	<b><u>2,335</u></b>	<b><u>10,079</u></b>

**27. Taxation**

	2025	2024
	TZS '000	TZS '000
<b>Major components of the tax expense</b>		
<b>Current</b>		
Final withholding tax - current period	<b><u>139,240</u></b>	<u>108,441</u>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting profit	<b>4,660,061</b>	3,503,946
Tax at the applicable tax rate of 30% (2023: 30%)	<b>1,398,018</b>	1,051,184
<b>Tax effect of adjustments on taxable income</b>		
Permanent difference	<b>31,407</b>	-
Non-taxable income	<b>(1,433,771)</b>	(1,447,931)
Final withholding tax - current year	<b>134,122</b>	108,441
Current tax - current year-ATM	<b>5,119</b>	-
Deferred tax effect not accounted	<b>4,345</b>	396,747
	<b><u>139,240</u></b>	<b><u>108,441</u></b>

**28. Cash generated from operations**

	2025	2024
	TZS '000	TZS '000
Profit before taxation	<b>4,660,061</b>	3,503,946
<b>Adjustments for:</b>		
Depreciation and amortisation	<b>86,054</b>	69,484
Finance costs	<b>2,335</b>	10,079
<b>Changes in working capital:</b>		
Trade and other receivables	<b>(966,492)</b>	366,941
Trade and other payables	<b>(10,815)</b>	(164,220)
	<b><u>3,771,144</u></b>	<b><u>3,786,230</u></b>

**29. Tax paid**

	2025	2024
	TZS '000	TZS '000
<b>Tax paid</b>		
Balance at beginning of the year	<b>333,423</b>	308,164
Current tax for the year recognised in profit or loss	<b>(139,240)</b>	(108,441)
Balance at end of the year	<b><u>(350,856)</u></b>	<b><u>(333,423)</u></b>
	<b><u>(156,673)</u></b>	<b><u>(133,700)</u></b>

**Notes to the Financial Statements**

**30. Dividends paid**

	<b>2025</b>	2024
	<b>TZS '000</b>	TZS '000
Balance at beginning of the year	(47,406)	(51,922)
Dividends	(2,626,476)	(1,905,847)
Balance at end of the year	43,488	47,406
	<u><b>(2,630,394)</b></u>	<u><b>(1,910,363)</b></u>

Dividends are from retained profits.

**31. Commitments**

<b>Lease liability</b>	<b>2025</b>	2024
<b>Minimum lease payments due</b>	<b>TZS '000</b>	TZS '000
- within one year	<b>74,578</b>	48,794
- in second to fifth year inclusive	-	-
	<u><b>74,578</b></u>	<u><b>48,794</b></u>

Liabilities arising from a lease are initially measured on a present associated with lease contract.

**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.

**34. Related parties**

Relationships Shareholder	Refer to page 12
Directors	Refer to page 8
Members of key management	Peter Kifungomali, Joel Chikoma, Rose Osima

**Related party transactions**

	<b>2025</b>	2024
	<b>TZS '000</b>	TZS '000
<b>Rent and service charges paid to (received from) related parties</b>		
Public Services Social Security Fund (PSSSF)	<b>42,078</b>	42,078
<b>Compensation to directors and other key management</b>		
Key management emoluments	<b>367,083</b>	378,369
Director fees	<b>37,997</b>	33,600
	<u><b>447,158</b></u>	<u><b>454,047</b></u>

## Notes to the Financial Statements

### 35. Financial instruments and risk management

#### Categories of financial instruments

##### Categories of financial assets

	2025	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total
Loans receivable		7	-	54,241	54,241
Equity investments		10	44,660,751	-	44,660,751
Government securities		9	-	11,823,898	11,823,898
Trade and other receivables		14	-	1,536,182	1,539,270
Cash and cash equivalents		15	-	662,803	662,803
			<b>44,660,751</b>	<b>14,077,125</b>	<b>58,740,963</b>

	2024	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total
Loans receivable		7	-	84,297	84,297
Equity investments		10	30,949,793	-	30,949,793
Government securities		9	-	15,680,721	15,680,721
Trade and other receivables		14	-	630,041	630,041
Cash and cash equivalents		15	-	2,241,156	2,241,156
			<b>30,949,793</b>	<b>18,636,215</b>	<b>49,586,008</b>

##### Categories of financial liabilities

	2025	Note(s)	Amortised cost	Total
Trade and other payables		18	25,724	25,724
Dividend payable		19	43,488	43,488
Lease liability		17	74,578	74,578
			<b>143,790</b>	<b>143,790</b>

	2024	Note(s)	Amortised cost	Total
Trade and other payables		18	36,538	36,538
Dividend payable		19	47,406	47,406
Lease liability		17	48,794	48,794
			<b>132,738</b>	<b>132,738</b>

#### Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

## Notes to the Financial Statements

### Capital risk management

Borrowings	17	-	-
Trade and other payables	19	25,724	36,538
<b>Total borrowings</b>		<b>25,724</b>	<b>36,538</b>
Cash and cash equivalents	15	(670,593)	(2,241,156)
<b>Net borrowings</b>		<b>(670,593)</b>	<b>(2,241,156)</b>
Equity		62,702,619	52,548,304
Gearing ratio		-1%	-4%

### 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 counterpart to a financial instrument fails to meet its contractual obligations.

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

Credit risk		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans receivable	7	54,241	-	54,241	84,297	-	84,297
Equity investments	10	44,660,751	-	44,660,751	30,944,293	-	30,944,293
Investment in government securities	9	11,823,898	-	11,823,898	15,680,721	-	15,680,721
Trade and other receivables	14	1,635,656	-	1,635,656	630,041	-	630,041
Other financial assets	12	3,297,672	-	3,297,672	2,355,000	-	2,355,000
Bank and cash equivalents	15	670,593	-	670,593	2,241,156	-	2,241,156
		<b>61,987,812</b>	<b>-</b>	<b>61,987,812</b>	<b>51,935,508</b>	<b>-</b>	<b>51,935,508</b>

#### 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.

**Notes to the Financial Statements**

**Liquidity risk**

	2025	Notes	Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>					
Trade and other payables		18	25,724	25,724	25,724
Dividend payable		19	43,488	43,488	43,488
Lease liability			74,578	74,578	-
			<b>143,790</b>	<b>143,790</b>	<b>69,212</b>
	<b>2024</b>		Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>					
Trade and other payables		18	36,538	36,538	36,538
Dividend payable		19	47,406	47,406	47,406
Lease liability			48,794	48,794	-
			<b>132,738</b>	<b>132,738</b>	<b>83,944</b>

**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.



**AFRIPRISE INVESTMENT PLC (Formally) TCCIA INVESTMENT PLC**

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