ANNUAL REPORT 2022

NTCOL

The Economic Shield of The Nation

NATIONAL INVESTMENTS PLC

RETURNS AND Sustainable growth

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FINANCIAL STATEMENTS

Overview of the NATIONAL INVESTMENT PLC

ABOUT NICOL

National Investments PLC (NICOL) was initially formed in 1999 by the support from few individuals who collectively as the collective investment scheme. This initiative progressively gained the support of many Tanzanians, leading to its incorporation as a limited public company under the Companies Act. Its main goal is to economically empower ordinary citizens by acquiring a stake in the economy of Tanzania through either jointly or directly ownership in viable economic ventures. Until the year 2022, the company progressively grew its capital to more than Tanzania Shillings One hundred and three Billion (TZS 103).

The owners of the Company are the General Public (Tanzanians and few foreigners) comprising of about 30,000 shareholders including Government Institutions and other entities.

On 6th May 2018, the company's shares were re-listed and resume trading its shares at the Dar Es Salaam Stock Exchange (DSE).

103 Billion

UNTIL THE YEAR 2022, THE COMPANY PRO-GRESSIVELY GREW ITS CAPITAL TO MORE THAN TANZANIA SHIL-LINGS ONE HUNDRED AND THREE BILLION (TZS 103)BILLION

VISON, MISSION AND VALUES

OUR VISION

To develop and increase participation of local Tanzanians in the management and control of the National economy.

OUR VALUES

The Company provides services anchored in transparency, efficiency, commitment, integrity and accountability to the shareholders and general public. The core value of the company are:-

OUR MISSION

To be the leading Collective Investment Scheme in the country, mobilizing resources from public and participating in viable economic ventures through equity ownership and investments using the most cost-effective management systems and technology, highly qualified and motivated personnel.

OUR VALUES

The Company provides services anchored in transparency, efficiency, commitment, integrity and accountability to the shareholders and general public. The core value of the company are:-

01 **TRANSPARENCY:** to have a work culture where employees rigorously communicate with their peers and exchange ideas and thoughts, which progressively builds up and maintains trust and respect.

02 **EFFICIENCY:** to maintain the pioneering status in the specialized area of Collective Investment Scheme so as to maintain exemplary leadership and remain the centre of excellence.

03 **COMMITMENT:** to promote a culture of excellence throughout the Company through robust management system, consistent and effective training, vigilant maintenance of stakeholder's relationships, and of course, the quality of services expected for all shareholders.

04 **INTEGRITY** : Honesty and adherence to the codes of conduct that sustains high regard in the eyes of the public nationally and internationally.

05 **PROFESSIONALISM:** To act professional in all actions and dealings with our shareholders, clients and partners.

NEW INVESTMENT-MIRAMBO HOUSE

In 2022, NICO Land Development Company Limited a subsidiary of National Investments Plc with 99% shareholding completed an acquisition for the purchase of majority shares in Mirambo Street Properties Ltd holding assets located in the center of Dar Es Salaam City. The acquisition of Mirambo Street Properties Ltd is expected to generate stable foreign currency earnings of USD 677,000 per annum approximately 8% per annum of the investment costs in rental income.

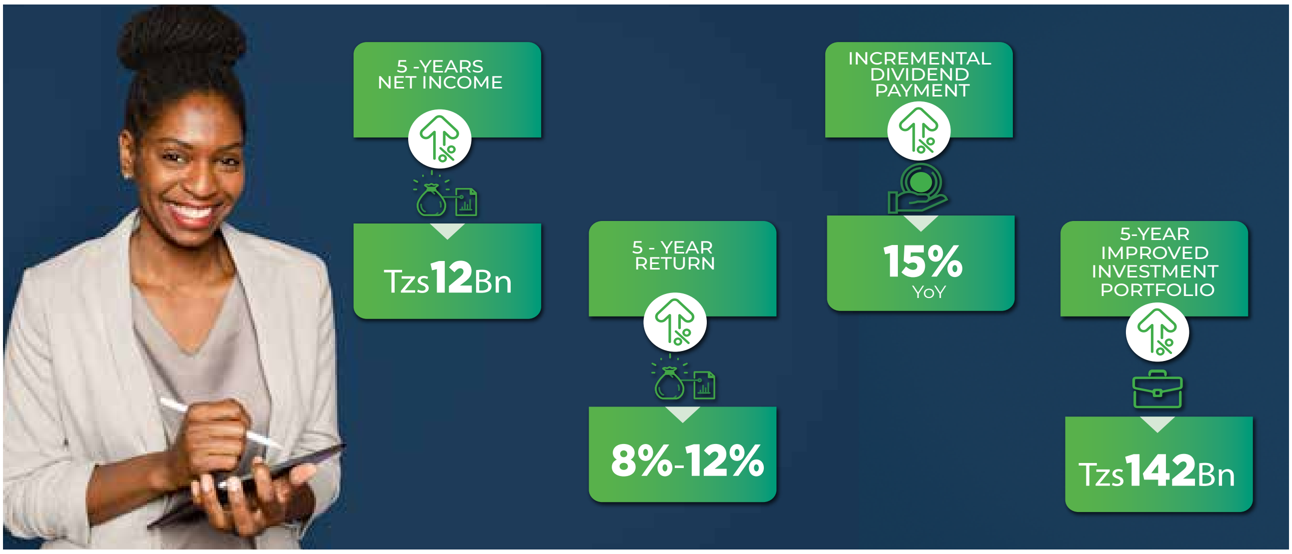
The takeover of Mirambo Street Properties Ltd under NICOL subsidiary is a move to creating sustainable income to our shareholders. Mirambo Street Properties Ltd is home to international financial institutions such as World Bank and International Finance Corporation who are the anchor tenants in the said property.

Our Stakeholders & BUSINESS PARTNERS

CMSA	DSE Creating Opportunities
CSDR Settlement & Custody	NMB
DTB DIAMOND TRUST BANK	AZANIA Azania Bank Ltd
VERTEX INTERNATIONAL SECURITIES LTD	ORBIT SECURITIES COMPANY LTD.
TIB DEVELOPMENT BANK	ZAN SECURITIES INVESTMENT ADVISOR | FUND MANAGER LICENCED DEALING MEMBER OF DAR ES SALAAM STOCK EXCHANGE

Our STRATEGIES

NICOL strategies to diversify its investment portfolio to provide stable source of income and returns to shareholders today and multiple generations



FIVE YEARS STRATEGIC PLAN FORECAST.

	2022 TZS '000'	2023 TZS '000'	2024 TZS '000'	2025 TZS '000'	2026 TZS '000'
Income					
Dividend Income	5,327,212	5,593,573	5,761,380	5,934,221	6,290,274
Interest Income	2,431,846	4,057,875	4,463,663	4,999,302	5,249,267
Other Income and Income from Subsidiaries		1,654,900	1,850,000	1,150,600	2,860,000
Total Income	**7,759,058**	**11,306,348**	**12,075,042**	**12,084,123**	**14,399,542**
Expenses					
Employees benefits	(602,675)	(662,943)	(729,237)	(765,699)	(816,593)
Administration expenses	(1,342,318)	(1,193,854)	(1,212,469)	(1,352,095)	(1,473,783)
Other expenses	(9,385)	(86,691)	(147,479)	(171,035)	(223,812)
Finance costs	(9,472)	(249,608)	(6,125)	(71,774)	
Profit before tax	**5,795,208**	**9,113,252**	**9,979,733**	**9,723,521**	**11,885,353**
Tax Charge	(263,620)	(201,502)	(130,734)	(125,997)	(175,312)
	5,531,588	**8,911,750**	**9,848,999**	**9,597,524**	**11,710,041**

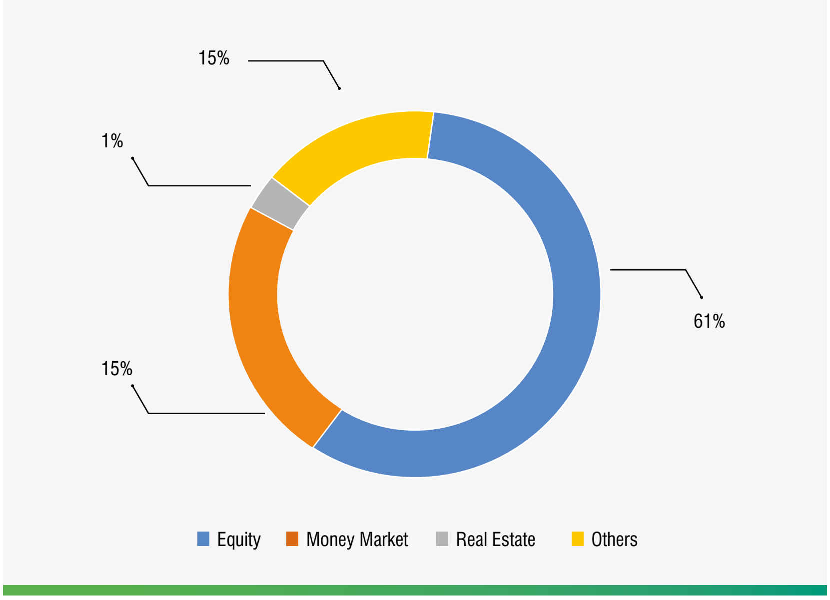
Our
ASSETS

We will continue searching for THE BEST POSSIBLE INVESTMENT

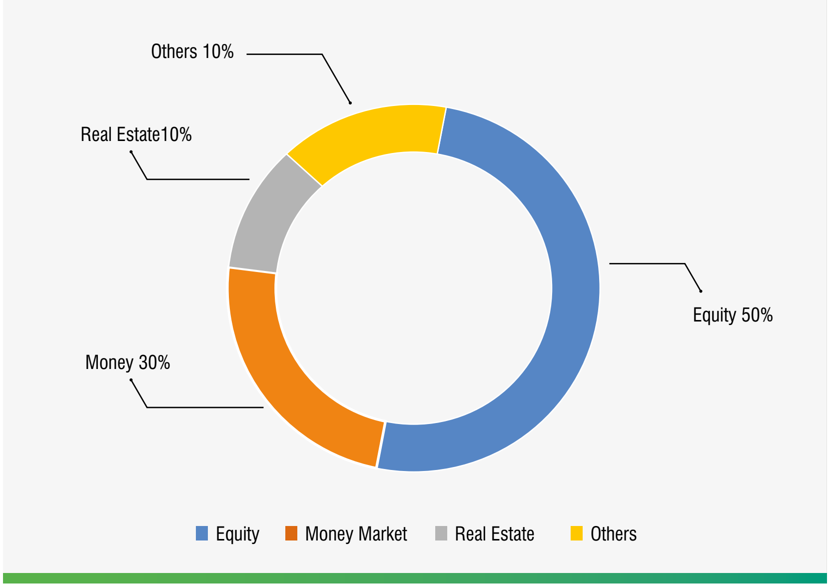
NICOL is designed to capture wide range of global growth while also demonstrating resilience during periods of market uncertainty.

The existing team in the management, Investment Committee and the Board have necessary skills and are professionals to collaborate across the country and outside the country to apply their deep expertise and local knowledge to source investment opportunities, engage with worldclass partners and build value in our existing assets.

CURRENT ASSETS COMPOSITION

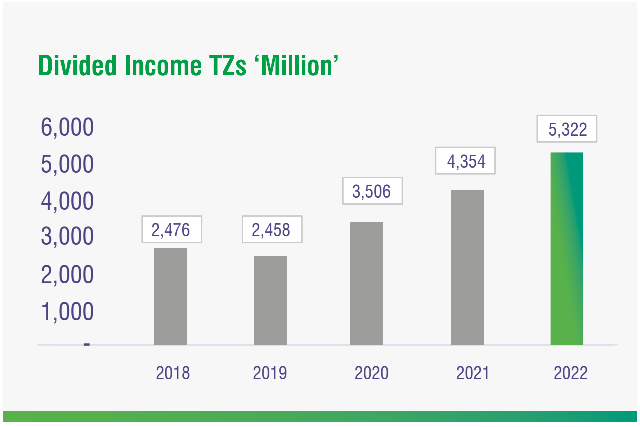


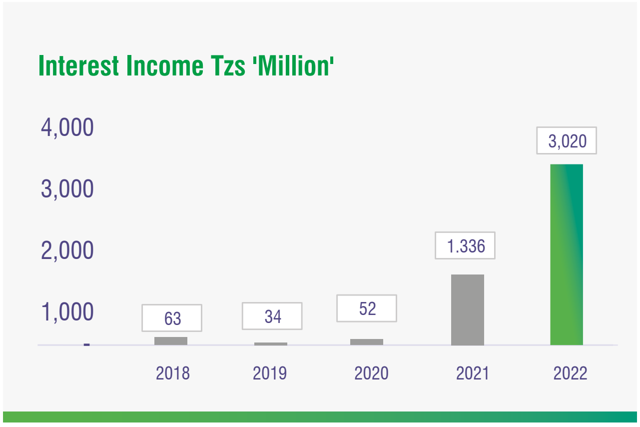
TARGETED COMPOSITION ALLOCATION IN 2026

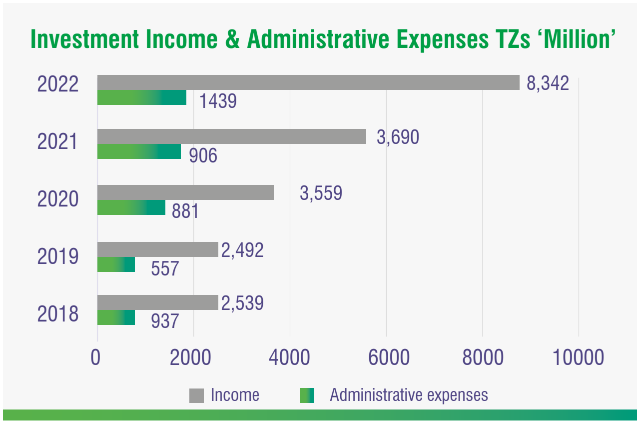


Highlights of FINANCIAL PERFORMANCE

FOR THE FIVE YEARS FROM 2018 TO 2022

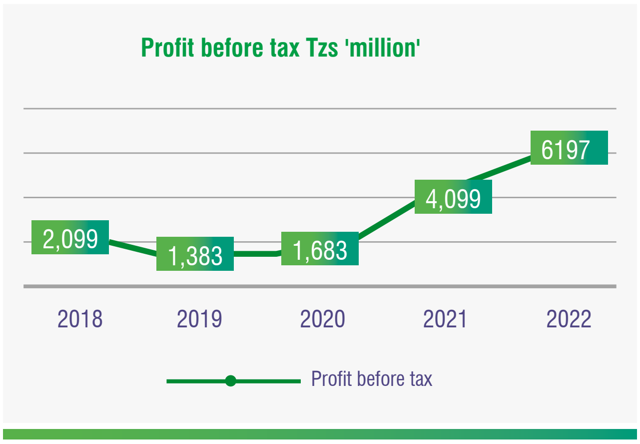


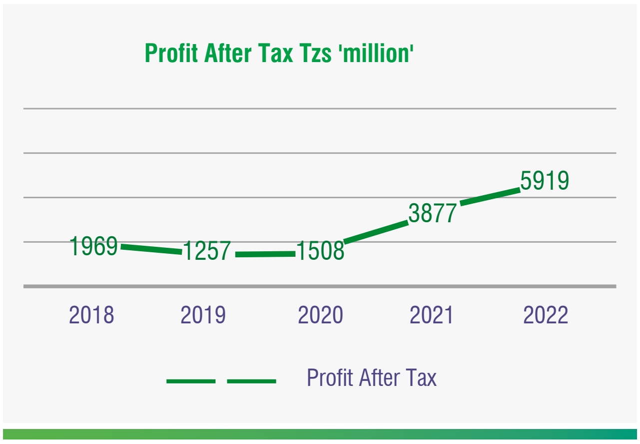




In 2022, our investment income improved by more than TZS 2.6billion compared by income received year 2021, we took all possible initiatives to control administration expenses, however, administrative expenses increased by TZS 532 million compared by previous year. The increase attributed to convening of three shareholders meeting during the year to obtain necessary approvals. These expenses were beyond company's control.

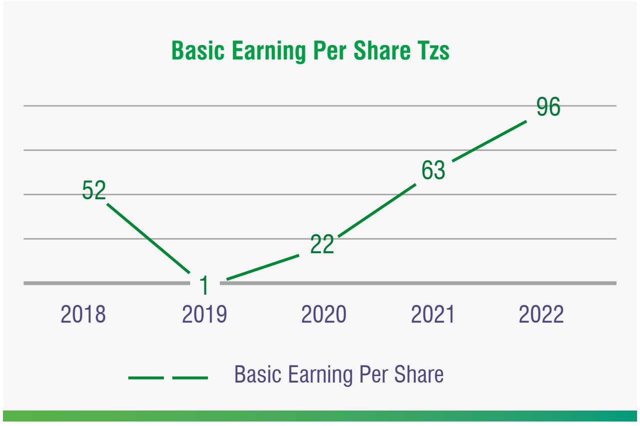
Management remain focused at ensuring expenses incurred are align with an increased income in every year.

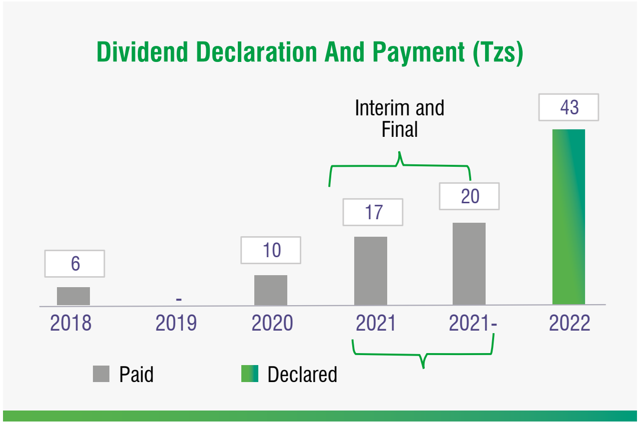


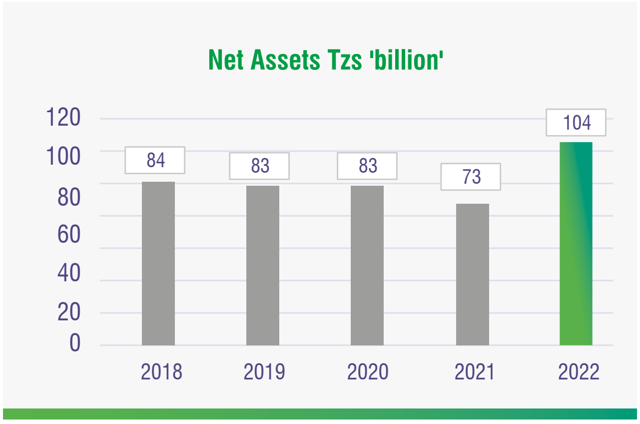


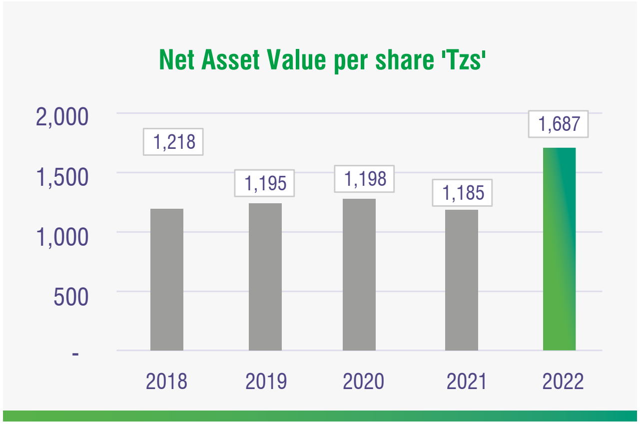
Highlights of
FINANCIAL PERFORMANCE

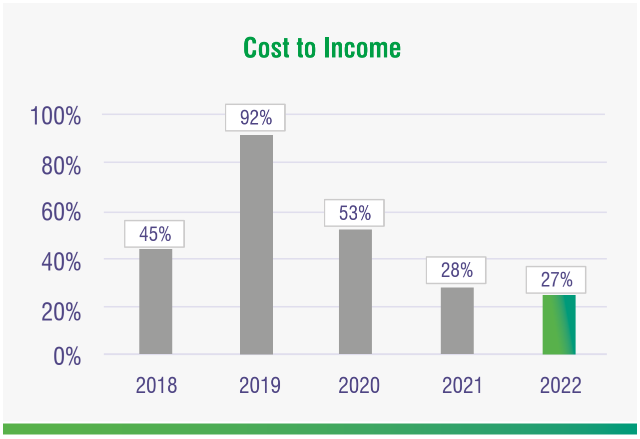
FOR THE FIVE YEARS FROM 2018 TO 2022

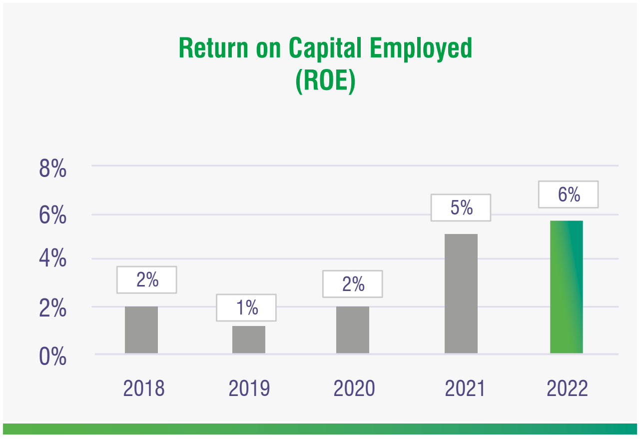












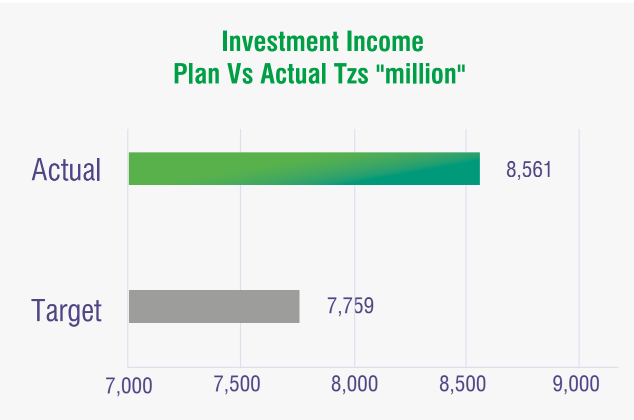
Financial TRENDS

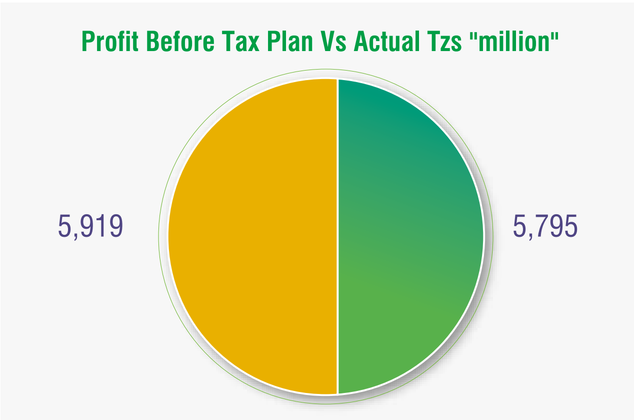
FOR THE FIVE YEARS FROM 2018 TO 2022

Performance for the past five years from 2018 to 2022

	2018 TZS '000'	2019 TZS '000'	2020 TZS '000'	2021 TZS '000'	2022 TZS '000'
Income					
Dividend Income	2,475,714	2,458,152	3,506,248	4,354,438	5,322,391
Interest Income	63,192	33,986	52,330	1,335,510	3,019,960
Provision Written back -	1,262,368	335,899			218,381
Total Income	**3,801,273**	**2,828,037**	**3,558,578**	**5,689,948**	**8,560,732**
Expenses					
Employees benefits	(611,399)	(645,453)	(770,371)	(416,814)	(656,720)
Administration expenses	(936,946)	(557,090)	(881,028)	(906,420)	(1,438,719)
Other expenses	(147,479)	(171,035)	(223,812)	(256,495)	(180,935)
Finance costs	(6,125)	(71,774)		(11,242)	(87,685)
Profit before tax	**2,099,325**	**1,382,685**	**1,683,367**	**4,098,977**	**6,196,673**
Tax Charge	(130,734)	(125,997)	(175,312)	(221,992)	(277,344)
	1,968,591	**1,256,688**	**1,508,055**	**3,876,985**	**5,919,329**
Basic Earning per Share	52	1	21.8	62.9	96.04
Diluted Earning per Share	28	1	21.8	62.9	96.04
Dividend payment per share	6	-	10	37	43
% Dividend payment/ EPS	12%	0%	46%	59%	45%

In year 2022, we have continued to deliver our five years strategy, profit before tax for the year exceeded target by about 2%. This achievement gives us confidence that we can achieve set targets toward year 2026.





Financial Position
TREND FOR THE FIVE YEARS

FROM YEAR 2018 TO 2022FROM YEAR 2018 TO 2022

	2018 TZS '000	2019 TZS '000	2020 TZS '000	2021 TZS '000	2022 TZS '000
ASSETS					
Non-current assets					
Property, plant and equipment	1,778,972	1,739,795	1,658,463	1,694,972	1,923,888
Investment securities	84,937,469	83,699,181	80,997,056	57,123,378	66,464,348
Government Bonds	-	-	1,093,450	15,400,196	34,637,359
Right-of-use asset				95,787	27,912
	86,716,441	**85,438,976**	**83,748,969**	**74,314,333**	**103,053,507**
Current assets					
Trade and other receivables	886,253	24,305	68,773	259,435	743,905
Investment Property					1,754,294
Cash and cash equivalents	610,394	72,638	769,106	636,834	11,949,680
Deposits with other institutions	-	-			10,021,918
	1,496,646	**96,943**	**837,879**	**896,269**	**24,469,797**
	88,213,087	85,535,919	84,586,848	75,210,602	127,523,304
LIABILITIES					
Equity					
Share capital	4,730,153	8,645,647	8,645,647	7,705,604	7,704,354
Share premium	4,562,836	647,342	647,342	1,587,385	1,588,635
Retained earnings	-454,853	-828,472	2,016,622	15,115,417	36,241,505
Available for sale investments re-serve	75,433,814	74,195,526	715,488,081	48,624,803	58,431,696
Equity attributable to owners of the company	**84,271,950**	**82,660,043**	**82,857,693**	**73,033,209**	**103,966,190**
Non-Controlling interest	-	-	-	-	(712)
Non-current liabilities					-
Lease liabilities	-	-	-	31,822	-
Borrowings	-	-	-	-	18,514,286
	84,271,950	**82,660,043**	**82,857,693**	**73,065,031**	**122,479,764**
Current liabilities					
Trade and other payables	2,303,637	1,867,544	999454	1,039,966	161,098
Lease liabilities	-	-	-	41,815	6,025
Other liability	1,237,500	1,008,332	729,701	1,063,790	1,790,703
Borrowings	400,000	-			3,085,714
	3,941,137	**2,875,876**	**1,729,155**	**2,145,571**	**5,043,540**
	88,213,087	**85,535,919**	**84,586,848**	**75,210,602**	**127,523,304**

Notice of the 9th ANNUAL GENERAL MEETING 2023

National Investments PLC
50 Mirambo Street
3rd Floor, Mirambo House
P.O. Box 7465
Dar Es Salaam
Phone: +255 22 2701436/2701348
0682 720 679
E-mail: invest@nicol.co.tz

The Economic Shield of The Nation

NOTICE OF THE 9TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE NATIONAL INVESTMENTS PLC (NICOL)

Notice is hereby given that the 9th Annual General Meeting of the Shareholders of the National Investments PLC (NICOL) will be held at the Julius Nyerere International Conference Centre (JNICC) in Dar es Salaam and virtually on Saturday, 7th October 2023 at 10:00 am.

The agenda will be as follows:

9.1 NOTICE AND QUORUM OF THE MEETING.

9.2 ADOPTION OF THE AGENDA FOR THE 9TH ANNUAL GENERAL MEETING.

9.3 CONFIRMATION OF THE MINUTES OF THE 8TH ANNUAL GENERAL MEETING.

9.4 CONFIRMATION OF THE MINUTES OF THE EXTRA-ORDINARY SHAREHOLDERS MEETING HELD ON 14th MAY 2022.

9.5 MATTERS ARISING FROM THE 8TH ANNUAL GENERAL MEETING.

9.6 TO RECEIVE, CONSIDER AND ADOPT THE DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022.

9.7 DIVIDEND DECLARATION FOR THE FINANCIAL YEAR 2022.

9.8 TO RECEIVE AND APPROVE THE PROPOSAL FOR DIRECTORS' REMUNERATION.

9.9 TO RECEIVE AND APPROVE APPOINTMENT OF EXTERNAL AUDITORS FOR THE FINANCIAL YEAR 2023.

9.10 ANY OTHER BUSINESS.

9.11 ANY OTHER BUSINESS.

IMPORTANT NOTES:

1. Members wishing to attend the meeting must submit one of the following: a copy of his/her Identity, Passport, Voters ID card, National ID or driving license.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf in accordance with the provision of the Articles of the Company. The proxy form must be deposited at the registered office of the company (physical or by email to invest@nicol.co.tz) not later than 04:00 pm Thursday, 5th October 2023.
3. Copies of the Annual Report and proxy forms will be available at National Investments PLC Office 50 Mirambo Street, 3rd Floor, Mirambo House and on the company's website www.nicol.co.tz. For more details, please contact 0733 006 177, 0768 00 88 00 or +255 22 2111 399 and WhatsApp number 0733 006 177.

BY ORDER OF THE BOARD

NATIONAL INVESTMENTS PLC
Adv. Benjamin Mwakagamba
Company Secretary

National Investments PLC
50 Mirambo Street
3rd Floor, Mirambo House
P.O. Box 7465
Dar Es Salaam
Phone: +255 22 2111399/ +255 733 006 177
WhatsApp 0733 006 177
E-mail: invest@nicol.co.tz

NICOL
The Economic Shield of The Nation

DIVIDEND DECLARATION

The Board of Directors of National Investments subject to obtaining approval from the 9th Annual General Meeting of Shareholders to be held on Saturday 7th October 2023 is pleased to, hereby recommend payment of Dividend of TZS 43.00 per share (TZS 2,650,297,862) The dividend will be paid out from the profit for the financial year 2022.

The following is the approved timetable for dividend payment.

Announcement Date	9th October 2023
Trading of Shares cum Dividend	9th October 2023 – 26th October 2023
Trading of Shares Ex-Dividend	27th October 2023
Closure of the Members Register	31st October 2023
Dividend Payment on or by	4th December 2023

Dividend will be paid directly to shareholder's bank account

For communication, contact:

The Registrar
CSD & Registry Company Limited
2nd Floor, NHC Corporate Office
Kambarage House, 6 Ufukoni Street
P O Box 70081, Dar es Salaam
Mobile 0746 160 516
Email: registrar@csdr.co.tz

BY ORDER OF THE BOARD

PROXY FORM

TO:

The Company Secretary

National Investments PLC

50 Mirambo Street

3rd Floor, Mirambo House

P.O. Box 7465
Dar Es Salaam

1/We .... of ....being a fully paid up member/members of the National Investments PLC and entitled to vote, hereby appoint ....email...cellphone No .... as my/our proxy, to vote for me/us and on my/our behalf at the **9th ANNUAL GENERAL MEETING** of the Company to be held at the Julius Nyerere International Convention Centre (JNICC) on and virtually **on Saturday, 7th October, 2023 at 10:00** and at my adjournment thereof.

Signed this....................... day of 2023

Signature(s) of member (s) ______________________________________

Note: A member entitled to attend, and vote may appoint, in writing a proxy to act on his/her behalf, to attend, vote and speak instead of his/her. A proxy need not also be a member of the Company.

The form must be properly filed in and returned electronically through Company Secretary Email address: invest@nicol.co.tz before 5th October, 2023 at 15:00 hours.

PERFORMANCE REVIEW

Message from the GROUP CHAIRMAN

DEAR SHAREHOLDERS

I am exceedingly delighted to present to you NICOL`s Annual Report and Financial Statements for the Financial Year Ending December 31, 2022. As we continue with unparalleled success in all our different portfolios, I am particularly pleased to highlight in this Report our initiatives and achievements during the year and unveiling subsequent future projections beyond the horizons, as we continue to build a time-tested, more resilient and stable company. Being a cardinal part of our strength, we have taken full advantage of NICOL`s ***diversification Policy*** and are now proud to show excellent results, with increased returns to our shareholders. However, much as the company remains unperturbed by the least-predictable

DR. GIDEON H KAUNDA
BOARD CHAIRMAN

103 Billion

UNTIL THE YEAR 2022, THE COMPANY PROGRESSIVELY GREW ITS CAPITAL TO MORE THAN TANZANIA SHILLINGS ONE HUNDRED AND THREE BILLION (TZS 103)BILLION

domestic and global ramifications of economic downturns, we cannot at all times presume to remain insulated from such adverse occurrences, ***and thus we are steadfastly remaining vigilant, by ensuring that our ambitions to excel and temperaments are tapered within the confines and limits of reality, genuine purpose and desire.***

Unquestionably, the post COVID-19 business environment in the past twelve months has shown remarkable improvement both at the micro and macro level, to the extent that the NICOL Group performance secured a pole position in the national financial sector. Nevertheless, we equally remain vulnerable amongst other participants in investment activities, due to unpredictable consequences of global events, such as climatic natural disasters, armed conflict and high interest rates caused by lenders` tight monetary restrictions and rising interest rates of major international banks. Whilst appearing peripheral but equally important, is the ongoing food insecurity prompted by commodity shortage and high prices, in the aftermath of belligerence and armed conflict involving world-wide producers. Looking at the immediate and near future, it behoves on NICOL to initiate measures which would address these challenges through a contemporary policy espousal of its adaptation stance, embracing both corporate social responsibility and business opportunity. Inevitably, active participation is envisaged amongst national and global

Message from the GROUP CHAIRMAN

business entities in ameliorating the ills of poor performance in the agricultural sector and in addressing issues of climate change, by applying appropriate collaborative measures, including an active role in carbon credit.

Bearing in mind the fundamentals of risk aversion and a commitment to establishing a culture of engagement in profitable business choices to balance portfolio results with a view to increasing shareholders` returns, we are eternally proud to have earned recognition as a leading performer in our ` *neck of the woods*.` We are even more delighted to present better results than those of last year and the previous years, yet with an enhanced investment size. The company has attained a noteworthy and strong delivery in investment returns approximating 10.8%, showing a constant revenue growth in a span of five years.

Much as NICOL`s achievements in the investment arena are by no means insignificant, it would be amiss on my part not to acknowledge the shareholders` strong commitment and confidence accorded to me personally, the Board of Directors and Management, without which such success would not have been possible. I therefore heartly thank all our esteemed shareholders for such unwavering support and trust.

OVERSIGHT OF THE LONG AND MEDIUM-TERM INVESTMENT STRATEGY.

Exercising its supervisory role under the company's diversification policy, the Board has guided Management in implementing notable investment areas, whilst averting and minimizing potential risks. In this way the Board, with the support of its Committees, has significantly contributed towards the success of NICOL`s investment portfolios. During the year, the Board also monitored progress toward the organization's 2025 Strategy approved by the Board

45

The recommended payment of dividends constitutes 45% of the net earnings per share of TZS 96.04, for the financial year 2022.

> WITH INTERVENTION OF A HIGHLY SKILLED BOARD OF DIRECTORS, PERFORMANCE OF THE GROUP CONTINUES TO ACHIEVE, MAINTAIN AND SUSTAIN SUPERIOR RESULTS, EXEMPLIFIED IN THE PERFORMANCE RESULTS OF THIS ANNUAL REPORT.

in year 2022. Being the bedrock of NICOL's long-term plan, the strategy is designed to help ensure that the organization is well-positioned to manage its performance and growth expectations. Under the circumstances, the application of this strategy remains firmly on track.

GOVERNANCE

With intervention of a highly skilled Board of Directors, performance of the Group continues to achieve, maintain and sustain superior results, exemplified in the performance results of this Annual Report. In the wake of various crises, Directors serving on the Group's Board have devoted their time and knowledge in steering the Group out of such problems, signaling organizational maturity.

NICOL will continue to implement pertinent policies to ensure stronger and more resilient governance, as we advance into the next level of strategic transformation. During the 2022 Extraordinary General Meeting (EGM), in line with the Company's Memorandum and Articles of Association, the Shareholders confirmed approval of five new Non-Executive Independent Directors of exceptionally high merit, namely; Ms. Rehema Tukai, Eng. Gissima B. Nyamo-Hanga, CPA. Oswald Urassa, CPA. George Nchwali and Ms. Kissa Kilindu, all to serve for a tenure of four years.

IMPROVING SHAREHOLDERS VALUE

In line with our long-term aspirations to attain the position of a ***leading Collective Investment Scheme in Tanzania,*** the company endeavored to boost the shareholders' value by strengthening performance in our portfolios with a view to enhancing profitability, thereby justifying dividends increase every year. Such impressive performance has also served as impetus in attracting new investments and increasing shareholders confidence, since

Message from the GROUP CHAIRMAN

NICOL shares are often published at the Dar-Es-Salaam Stock Market among those frequently recognized as `***gainers and movers***` on the bourse. `

DIVIDEND TO OUR SHAREHOLDERS

During the year 2022, the Board proposed payment of TZS 17 as interim dividends and TZS 20 as final dividends, paid out from the profit of the year 2021. Both dividends were paid out to the shareholders by the end of December in 2022.

Considering good performance for the year 2022, the Board has proposed a dividend per share of TZS 43.00/=, to be presented for approval at this Annual General Meeting. The recommended payment of dividends constitutes 45% of the net earnings per share of TZS 96.04, for the financial year 2022.

LOOKING AHEAD

As we strive to secure improved and sustainable growth, we remain committed to strengthening our performance, leveraging on our medium- and long-term strategy in cultivating new opportunities and exploring lucrative investments within and outside Tanzania. We are thus singularly proud to have made great strides in solidifying our position in the existing portfolio mix. Admittedly, success does not come on a ***silver platter*** amidst competitors with identical ambition, desire and necessary resources. For that reason, I must fully acknowledge the unique and exceptional role of NICOL`s high quality human resource in making the company so successful, commencing with the Board down to the entire Management. The Directors and Management have at all times demonstrated commitment through teamwork and dedication to NICOL`s objectives by applying their multi-disciplinary skills and experience to the fullest extent. All this gives us confidence to pronounce that we have the wherewithal to succeed in achieving our intent of becoming a ***leading and reputable Collective Investment Scheme,*** admired by many local and international investors.

It is therefore our priority in the medium and long term to strengthen our investment portfolios and optimize performance, by using proper metrics to ensure an accurate assessment of the Company's future prospects. The Board will, undoubtedly, continue to diligently guide Management so as to build stronger internal workings and clientele relationships, for better synergy and greater results.

ACKNOWLEDGEMENTS

I would humbly like to extend my sincere gratitude and thanks to the shareholders of National Investments Plc and stakeholders for their unwavering support of the Company over the years. The Board is very grateful to the Regulators for their continued encouragement and valued guidance. I also sincerely thank my fellow Directors for their unflinching support and commitment to activities of the Board, as well as the affairs of NICOL.

My deep appreciation goes to the Management, and to the Board Committees for their invaluable role in executing our business strategy. The Company's strong results speak for themselves.

Gideon H. Kaunda (PhD)
BOARD CHAIRMAN

Report from the CHIEF EXECUTIVE OFFICER

TO OUR STOCKHOLDERS

Our Journey to rejuvenate sustainable growth is well on track

CPA. ERASTO G NGAMILAGA

CHIEF EXECUTIVE OFFICER

Dear Shareholders

IT WAS ALL HANDS-ON IN 2022 AS WE CONFIDENTLY ROSE TO MEET ALL KINDS OF CHALLENGES. WORKING IN UNISON, WE MANAGED TO ACHIEVE OUR BUSINESS GOALS, AND THE COMPANY`S OVERALL BUSINESS PERFORMANCE WAS IN LINE WITH OUR FORECAST.

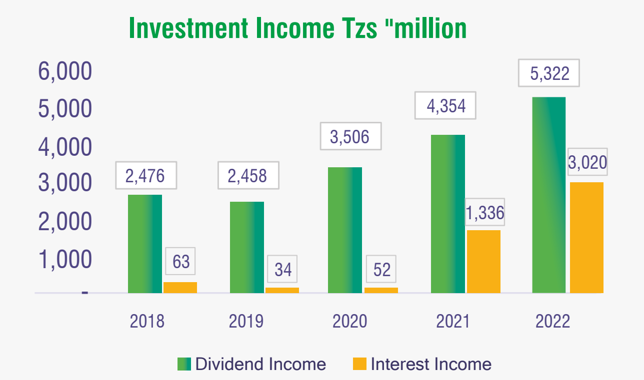
Foremost, I would like to take this opportunity to thank our shareholders and all other stakeholders, in particular the Regulatory Authorities, for their continued trust and firm support.

We have managed to demonstrate our strength to revolutionize our thinking in creating long term value and decent returns to our shareholders through effective execution of our five years strategic plan in creating value and maintaining sustainable returns, commensurate with our milestones in the company`s vision and mission.

We are determined in 2023 to continue strategic focus on strengthening NICOL`s investments with renewed vigor, working hand in hand, not only to satisfy our shareholders aspirations but also in contributing economically to the national coffers as a whole.

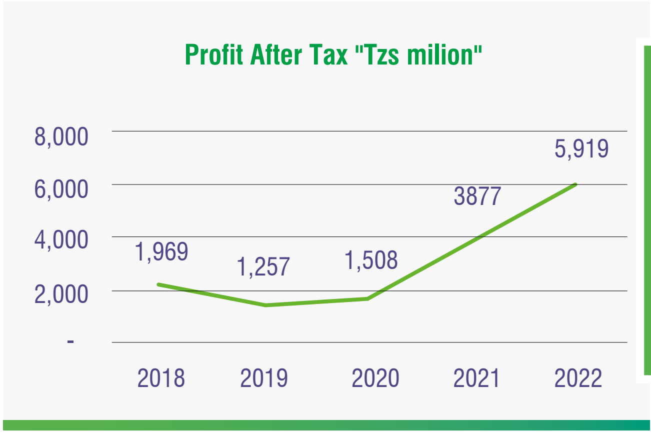
In hind sight, we have every reason to cherish with great pride the company`s remarkable and steady business growth, notwithstanding a somewhat checkered history, as clearly exemplified by a positive trend since the company`s turn-around in 2018.

OUR PERFORMANCE



Demonstrating results, investment income grew to more than TZS 8.6-billion-year 2022 compared to TZS 3.8 billion earned in the previous five. These positive results were attributed to increased dividend income and increasing interest income for our diversified portfolio.

Message from the CHIEF EXECUTIVE OFFICER



Profit after tax also have improved from TZS 5.92 billion year 2022 from the TZS 3.87 recorded in the previous year. The five years profit after tax continued to improve year on year from year 2018 when our share re-listed in the Dar Es Salaam Stock Exchange for the second time since year 2008.

With such noticeable performance improvement, it became possible for the company to declare dividends annually commensurate with the earnings of the year. Consequently, during the year 2021, the company declared an ***interim dividend payment of TZS 17 per share and final dividend of TZS 20 per share was declared and paid to our shareholders.***

The total assets value of the company increased to **TZS 103.05** billion in 2022, compared to **TZS 74.31** billion in year 2021. This remarkable increase is the result of implementing our investment diversification strategy, commencing with the purchase of Government Bonds and other new investments. Part of the income received from the existing bonds portfolio was further re-invested.

OUR STRATEGIES

While applying our strategy of diversification as a fundamental tool in risk aversion and essentially reducing excessive dependence on one source of income, the Board and Management took necessary steps to promulgate a regular review process, consistent with our five years strategic plans aimed at strengthening the company`s core investment portfolios, focusing on increasing shareholders` value and returns.

As we maintain our financial priorities, we stay principally focused on the following:

i. Sustainable Investment Portfolio

In the year 2021, we dwelt on implementing our investment strategies through diversification of current investment portfolios to establish a balanced investment mix, in line with our long-term goals of enhancing our shareholders` value and returns. In the same spirit, we remained focused on specific objectives to attain improved results, enabling the company to increase significantly current investment assets to TZS 103 billion in 2022. It is envisaged that our portfolio-mix will consist of 50% in equity, 30% in Government Securities, 10% in real estate and 10% in other sectors.

ii. Growing the dividend

Consistently with an increased investment value since 2018, barring untoward events beyond our control, we pledge on maintaining our resolve and commitment to our shareholders to propose a higher dividend payment every financial year. In 2021, TZS 2.3 billion was paid as dividend to our shareholders, to be followed this year with an increased amount under a Board proposal to make dividend payments from profits of the 2022 financial year.

iii. Maintaining a strong balance sheet

Financial strength – demonstrated by our company for the year gives us the flexibility to navigate uncertain market conditions and address emerging challenges in contemporary opportunities.

iv. Reinvesting to grow future cash flows

Improving investment value and portfolio efficiency allows us to sustain our future at reasonably good investment returns. As part of the investment diversification plan, we acquired this year Controlling Shares in Mirambo Street Properties Ltd. The acquisition of the company is expected to generate ***foreign currency cash flow and added TZS 22 billion in the company's investment value.***

These initiatives and implementation of our strategic plan have contributed to growth in our investment portfolios to a total of TZS 127.52 billion worth of assets, compared to TZS 88.21 billion five years ago. This increase is significantly attributed to the company`s diversification strategy and investment of the proceeds in Government Bonds, as well as investment in the real estate sector.

INVESTMENTS IN OTHER AREAS

In addition to the increased investment in the stock market, the financial market and fixed income market, we will continue to explore worthwhile investments in other areas. On that score, the company

“103Bn

INVESTMENT ASSETS YEAR 2022

We are envisaged to maintain our portfolio mix of 50% in equity, 10% other sectors, 30% in Government Securities and 10% in the real estate sector.

Report from the CHIEF EXECUTIVE OFFICER

has embarked on re-activation of NICOL`s affiliates and / or dormant subsidiaries, in order to meet the needs of business diversification in specialized sectors, commencing with real estate, for which steps were taken to ***reactivate Nico Land Development Company in 2022.***

a) Investment in Nico Land Development Co Ltd

In 2022, NICO Land Development Company Limited a subsidiary of National Investments Plc, undertook acquisition of majority / controlling shares in Mirambo Street Properties Ltd whose assets are located in the Dar Es Salaam City business distrct. This acquisition of the Mirambo Street Properties Ltd Company, is expected to generate stable foreign currency earnings of USD 677,000 annually, approximately 8% per annum of the investment costs in rental income. The takeover of Mirambo Street Properties Ltd under NICOL`s subsidiary is a move which assures sustainable income to our shareholders. Among the assets of Mirambo Street Properties Ltd is an office building which houses global financial institutions, notably the World Bank, International Finance Corporation and Trademark EA, who are the principal occupying and anchor tenants in the said property.

b) Investment in the Construction of NICOL Corporate Building

Due to the acquisition of Mirambo Street Properties Ltd at the end of 2022, our plan in the construction of NICOL corporate building at Msasani Peninsula plot 818 has been deferred until next year and subject to further re-assessment and availability of funds. However, presently steps have been taken to improve the building structure and

> WHEN OUR SHARES WERE RE-LISTED IN THE FIRST TIME, NICOL SHARE PRICE WAS SOLD AT THE LOWEST OF TZS 175, CURRENTLY, THE COMPANY'S SHARE TRADED AT THE HIGHEST COUNTER FOR THE YEAR AND AMONG THE BIGGEST GAINED SHARES TO TZS 500 PER SHARE

site to transform it in a rentable condition, allowing the property to attract tenants and generate additional revenue of TZS 156 million per annum, equivalent to 10% of the investment costs.

c) Other opportunities and Initiatives

The volatility of the financial markets triggered by the rising cost of borrowing are a cause for serious concern in any attempt to venture into new investments, particularly in the present circumstances of global military conflicts, climate change and food shortages. Easy access to reasonably priced investment borrowing is predicated on greater stability in the multilateral relationships and international banking. Presently, having just gone through the post covid-19 turmoil, the global instability in the financial markets creates a blurred vision in current and medium-term investment appetite, to extent that it becomes prudent to exercise a heightened sense of risk aversion.

in which we operate remain highly competitive. We expect boundaries between our strategies in accessing new capital and objectives in investment in other areas will blur. Nevertheless, NICOL will continue to assess and explore new and viable options which would allow the company to leverage on the special comparative advantages within the arena of our accessible resources.

For planning purposes, let me highlight three business initiatives that we consider worthwhile focusing on, albeit in the long run.

i. Penetration in the agricultural sector through the establishment and operation of modern warehouses for storing food products, in collaboration with various business stakeholders in establishing the value chain agricultural products.

ii. Investment in the energy sector, such as the gas sector and engagement in alternative energy sources designed to replace fossil fuel and the mining technology of minerals for that purpose, in particular commodities required for electric cars; and

iii. Expansion of investment scope in the financial markets.

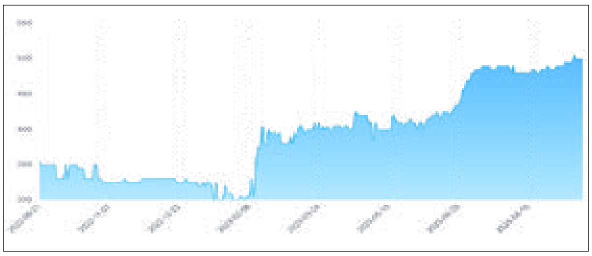
SHARES PERFORMANCE OF THE COMPANY

n 2018 when NICOL Shares were re-listed in the Dar Es Salaam Stock Market (DSE), the trend of share prices of the Company kept improving. In line with our long-term growth strategy, the company endeavors to enhance shareholder value by strengthening our key earning assets. Our efforts returned good tidings with an increase in value and profitability, resulting in an increase of dividend payment to our shareholders. Our good performance

Report from the CHIEF EXECUTIVE OFFICER

also continued to create public confidence and attract new investors, placing NICOL shares amongst the most traded shares in the market.

When our shares were re-listed for the first time, NICOL shares were sold as low as TZS 175, but currently, the company's shares are traded at the highest counter for the year and among the foremost gaining shares, valued at TZS 500 per share. This represents a 186% growth from TZS 175 per share recorded in the year 2018. However, due to continued good performance of our existing investment portfolio- mix, we are very optimistic that our market share-price will closer to the true share value threshold of TZS 1,500 per share, as is predicted in the coming years..



TACKLING THE GLOBAL CHALLENGE OF CLIMATE CHANGE

On 14th July 2023, we participated in the carbon credit national meeting held in Dar Es Salaam which among other matters, private enterprises were reminded to include an environment agenda in their corporate responsibility policy.

National Investments Plc, being a listed company, recognizes that there are social economic opportunities brought about in the protection and preservation of the global environment and the important role which Tanzania can play. Tanzania is amongst a major player in the international community and as a corporate player in the private sector, NICOL will actively become involved in the national interest. In that regard, NICOL is in the process of engaging in partnership with Livingways URT Ltd a private entity with over 10 years' experience in the sector of carbon credit. Livingways URT Ltd is currently holding about 3.3 million acres of forest in Tabora and working closely with the Government Authorities to elevate Tanzania to a highly successful multilateral carbon credit harvestor.

As we are struggling to participate in the global fight to combat climate change through the carbon credit initiatives, our partnership with Livingways URT will enable us to open new opportunities available in the carbon credit, enabling our shareholders to generate income in their respective local communities.

One of the organization's beliefs is that accounting for Environmental, Social and Governance (ESG) factors and earning healthy profits are mutually reinforcing objectives. Companies and investors alike are under pressure to move faster to a net-zero global economy; in other words, to reduce human-related

greenhouse gas (GHG) emissions to as close to zero as possible by 2050.

OUTLOOK

Our plan is to maintain good performance in 2023 with ambitions to maintain our focus in the implementation of the set strategies to achieve a long-term value and sustainable growth balanced with the increased shareholders returns.

To ensure we remain focused on the implementation of our key strategic initiatives delivering positive and excellent results to our shareholders with main focus of increasing shareholders dividend declaration by not less than 20% every year, we plan to concentrate and continue to diversify our investments portfolio in the areas with less risks and determined to capitalize on the resilience of our business model.

We are confident that through the good mix of experienced leadership under our Board, we shall continue to consider improvement of our operation efficiency, enhancing and maintaining good relationship with our stakeholders and shareholders, optimal use of technology and continuing to build a strong corporate governance foundation. We are also aiming at sustainable growth that will create positive impact to the community and economy at large.

APPRECIATION

In conclusion, we remain well positioned for the future. Once again, I would like to express my gratitude to our shareholders, Regulators, both the Capital Market and Securities Authority (CMSA) and the Dar Es Salaam Stock Exchange (DSE), for their endless support and trust in our organization.

I also thank the Management team and staff of the National Investments Plc (NICOL) for their continued commitment to keep the dreams of shareholders alive. I am particularly grateful to the Board of Directors for their steadfastness and dedication with which they continue to provide leadership to Management.

ERASTO G NGAMILAGA
CHIEF EXECUTIVE OFFICER

CORPORATE GOVERNANCE

Corporate GOVERNANCE

The Board of Directors ("Board") of National Investments Plc oversee governance as promoting strategic decision making that balances short, medium, and longterm outcomes, and safeguarding interests of the Organization, and the society in which we operate to create sustainable shared value. Directors have a statutory duty to promote the success of the Company for the benefit of its stakeholders.

In promoting the success of the Company, Directors must have due regard to the long-term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with shareholders and various other stakeholders, the impact of the Company's operations on the community we operate, and the desire to maintain a reputation for high standards of business conduct.

OUR CORPORATE GOVERNANCE FRAMEWORK ENABLES THE BOARD TO **OVERSEE THE STRATEGIC DIRECTION** OF THE ORGANIZATION, FINANCIAL GOALS, RESOURCE ALLOCATION, RISK APPETITE AND TO HOLD THE **EXECUTIVE MANAGEMENT ACCOUNTABLE** FOR EXECUTION.

The Board is committed to ensuring that company complies with the laws, regulations and standards applicable to it. The Board ensures that high standards and practices in Corporate Governance and more specifically the principles, practices and recommendations set out under the Code of Corporate Governance Practices for Listed Companies, 1994 (CMSA Principles of Good Corporate Governance Practices), are adhered to.

The Board believes that good corporate governance is the core driver of sustainable corporate performance and creates shared value by ensuring the right balance between organizational growth and long - term stakeholder value. The Board of Directors at NICOL, regularly reviews its corporate governance arrangements and practices and ensures that the same reflects evolving good corporate governance norms, the developments in regulation, best market practice and stakeholder expectations. Our corporate governance framework enables the Board to oversee the strategic direction of the organization, financial goals, resource allocation, risk appetite and to hold the executive management accountable for execution.

GOVERNANCE STRUCTURE

Governance framework

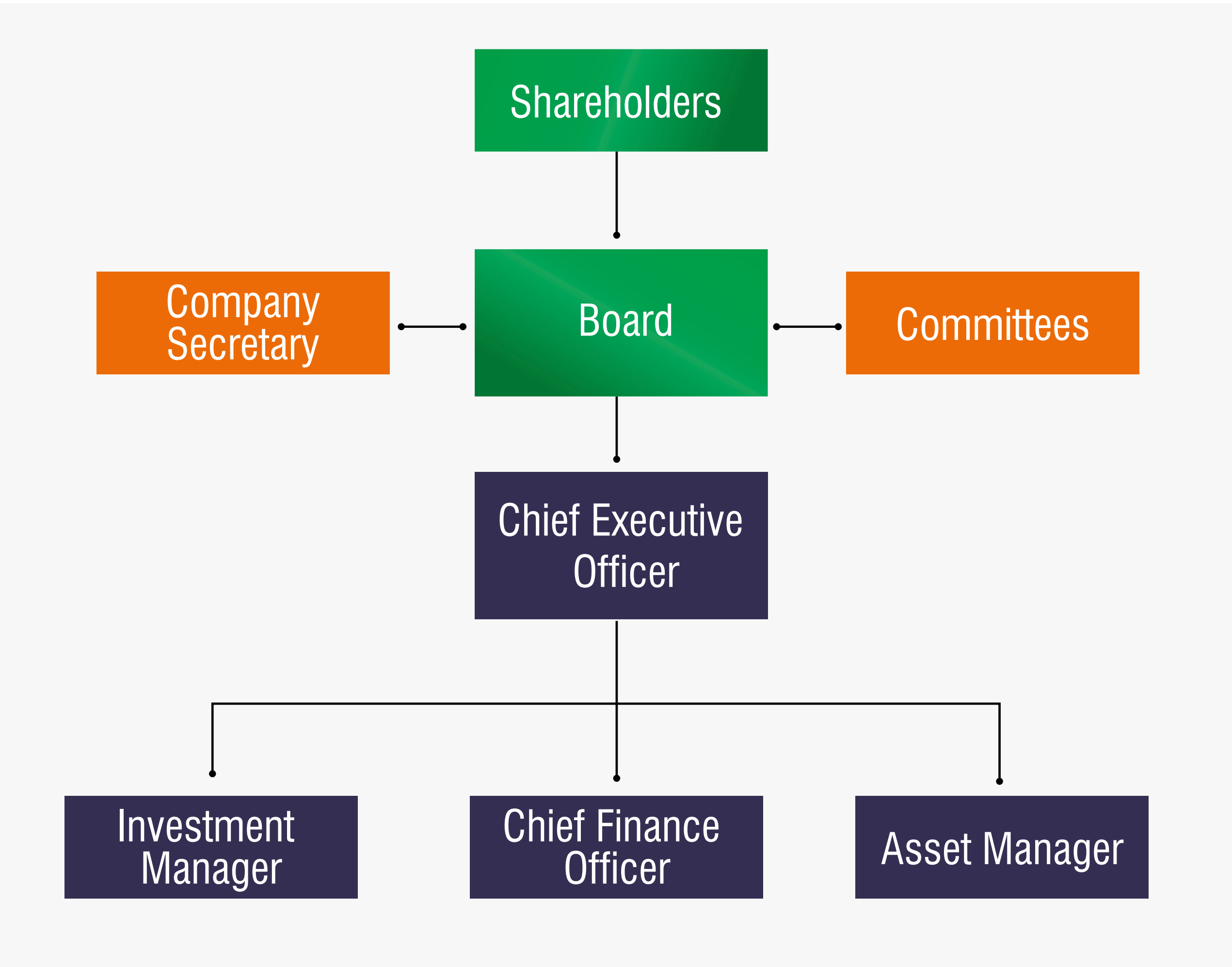
NICOL operates within a clearly defined corporate governance framework which provides for delegation of specific mandates (as may be necessary) and clear lines of responsibility without abdicating the responsibility of the Board. Through the framework, the Board sets out the strategic direction of the company while entrusting the day-to-day management of the business and the implementation of the Company's strategy to the Management Team led by the Chief Executive Officer ("CEO"). The Board operates through three committees

mandated to review specific areas and assist the Board undertake its duties effectively and efficiently.

These Board Committee are as follows:

- Board Executive Committee
- Board Investment and Financing Committee
- Board Audit and Risk Committee

The fundamental relationships between the shareholders, Board Committees and Executive Management is illustrated below:



Corporate GOVERNANCE

The Board Charter is regularly reviewed by the Board and provides for a clear definition of the roles and responsibilities of the Company's Chairman, directors as well as the Company Secretary. The roles and responsibilities of the Company Chairman and the Chief Executive Officer are separate and distinct with a clear division of responsibility between the running of the Board and the executive responsibility of strategy execution and running of the business

THE BOARD

National Investments Plc is governed by a Board of Directors ("The Board"). The appointment of directors is regulated by the Memorandum and Articles of Association of the Company, as well as the guidelines issued by the Capital Markets and Securities Authority, pursuant to the Capital Markets and Securities Act 1994, respectively. All Shareholders regardless of percentage of shares held, have the right to nominate any person to become director of the Company. The names are presented to the Annual General Meeting (AGM) for approval.

The Board is accountable to the shareholders for the overall Company's performance and is collectively responsible for the long-term success of the company. The Board is responsible and accountable for providing effective corporate governance, direction and control of the company. The directors have a duty to exercise leadership, enterprise, integrity and judgment based on transparency, fairness, accountability and responsibility.

BOARD'S ROLE AND DIRECTORS' RESPONSIBILITIES

The Board, led by the Board Chairman, is responsible among other matters for:

- The Board is the ultimate decision-making body of the Company.
- The Board is responsible for establishing sound system of internal control for the Company.
- The Board is responsible for overseeing the corporate governance framework.
- The Board is responsible for adoption of strategic plans, policies, monitoring the operational performance, and processes that ensure integrity of the Company's risk management and internal controls.
- The Board is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions.
- The board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- The Board is responsible for ensuring that the strategies adopted promote the sustainability of the company.
- The Board is responsible for establishing policies and procedures for effective operations of the Company.
- The Board shall establish an appropriate staffing and remuneration policy including the appointment of the Chief Executive Officer and the senior staff as may be applicable.

- The Board is responsible for ensuring cognizance is taken by management of all applicable laws, regulations, governance codes, guidelines and regulations and establishing systems to effectively monitor and control their compliance across the Company.

SEPARATION OF ROLES AND RESPONSIBILITIES

The role of Board Chairman is separate from that of the Chief Executive Officer. There is a clear division of responsibilities between the leadership of the Board by the Board Chairman, and the executive responsibility for day-to-day management of the Company's business, which is undertaken by the Chief Executive Officer.

Chairman	▪ Responsible for leading the Board, its effectiveness and setting high governance standards ▪ To ensure effective communication with shareholders and, where appropriate, the stakeholders. ▪ Upholding rigorous standards of preparation for meetings, and ensuring that decisions by the board are executed
Chief Executive Officer	▪ Responsible for the executive responsibility for day-to-day management of the company's business ▪ Recommending strategy to the Board and ensuring that the strategic objectives and Board's directives are implemented through the Board Executive Committee.
Non-Executive Directors	▪ Responsible for ensuring that the company has in place proper internal controls as well as a robust system of risk management. ▪ To support the development of proposals on strategy, hold management to account and ensure that they discharge their responsibilities properly, while creating the right culture to encourage constructive challenged
	▪ Provides support and guidance to the Board in matters relating to governance and ethical practices. ▪ Also responsible for induction programs of new directors, keeping board members abreast of relevant changes in legislation and governance principles ▪ In support from the Chairman, prepare Board meetings agenda and be custodian of the Board minutes.

BOARD DIVERSITY

The Board considers the diversity of views and experiences as essential for ensuring that all aspects of strategies and plans are fully considered. The combination of backgrounds and experience at the Board ensures that there is a balance of power that stimulates robust challenge and debate such that no individual or group can dominate board processes or decision-making. This is important for sustainable stakeholder value protection. In the Annual General Meeting, shareholders approved to adjust number of existing directors to seven, and on 14th May 2022, at its Extra Ordinary Shareholders

Corporate GOVERNANCE

Meeting, shareholders approved appointment nomination of five new members to join the Board, these new members acquired different vast experience in leadership and other sectors.

BOARD NOMINATION, APPOINTMENT, AND RE- ELECTION OF DIRECTORS

The current Board structure comprises of seven non-executive Directors including the Board Chairman. The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter and applicable law. The Board composition is driven by the following principles:

- The Board must comprise of independent non-executive directors.
- The Board should consist of directors with a broad range of skills, experience and expertise and be from a diverse range of backgrounds.
- The Chairman of the Board must be a non-executive director. Appointment of the Chairman will be made by the Shareholders as recommended by the Board members in the Annual General Meeting. The Chairman of the Board is also the Chairman of any Shareholders meeting.

The Board executive committee is responsible for recommending the procedure for the selection of new directors, the proposed criteria for the selection of candidates with reference to current mix of skills, knowledge and experience.

The committee identifies and nominates a shortlist of candidates and may engage the services of a professional intermediary to assist in identifying and assessing potential candidates. The preferred candidates meet with the members of the executive committee before a final decision is made. Prior to confirmation of appointment, all Directors are required to pass Proper requirements set out by the Capital Market and Securities Authority. The key terms and conditions of a director's appointment are documented in a letter of appointment.

BOARD INDUCTION AND TRAINING

All newly appointed non-executive Directors participate in an induction program. The induction program which is coordinated by the Company Secretary includes a series of meetings with other Directors, the Chief Executive Officer, and senior executives to enable new Directors familiarize themselves with the business. Directors also receive comprehensive guidance from the Company Secretary on Directors' fiduciary duties, and responsibilities as well as liabilities.

All Directors are expected to maintain the requisite skills and demonstrate ethical standards to carry out their obligations. The Chairman regularly reviews the professional development needs of each Director. The program of continuing education ensures that the Board is kept up to date with developments in the industry both locally and globally.

To ensure the Board is updated, the company will arrange the following trainings:

- Board Leadership & Corporate Governance Masterclass Africa
- Effective Audit Committees
- Board Directorship October 2024 organized by Institute of Directors Tanzania (IoDT).

BOARD COMPOSITION

NICOL is committed to ensuring the overall effectiveness of the Board and that it achieves the appropriate composition and balance of directors. The Board comprises a majority of independent non-executive directors who bring a diversity of skills, experience, and knowledge to the discussion, and play an important role in supporting the Board. The non- executive Directors are expected to have a clear understanding of NICOL strategy as well as knowledge of the collective investment scheme and the operating market. The aggregate mix of skills and experience of the Directors seeks to bring about individual and collective competence requisite in fostering robust and constructive debate, augments and challenges the strategic thinking of the executives thereby adding value to the company.

BOARD ATTENDANCE

The Board held 10 meetings during the year 2022. The attendance of Directors at Committee meetings is displayed within the individual committee reports. The Directors who served during the year and their attendance at Board meetings are set out in the table below:

DIRECTORS

NAME	BOARD	BEC	BFAC	BIFC
Dr. Gideon H Kaunda	10	2	1	n/a
Ms. Rehema A Tukai	8	n/a	5	n/a
Eng. Gissima B Nyamo-Hanga	10	2	n/a	n/a
Ms. Kissa V Kilindu	10	n/a	n/a	4
CPA. George MJ Nchwali	10	n/a	5	n/a
CPA. Oswald M Urassa	8	n/a	n/a	4

Corporate GOVERNANCE

BOARD COMMITTEES

The Board places significant reliance on its committees by delegating a broad range of responsibilities and issues to them to achieve effective independent oversight and stewardship. It therefore remains crucial that effective linkages are in place between the committees and the Board as a whole, not least as it is impracticable for all independent non-executive directors to be members of all the committees. Mechanisms are in place to facilitate these linkages, including ensuring that there are no gaps or unnecessary duplications between the remit of each committee and overlapping membership between Board committees where necessary. Alongside interconnected committee membership, the Board receives documented summaries of each of the committee's meetings.

The Board has three standing committee namely, Board Executive Committee, Board Audit and Risk Committee and Board Investment Committee.

BOARD AUDIT AND RISK COMMITTEE

Members of the Audit Committee were as follows:-

NAME	DESIGNATION	MEETING ATTENDED
CPA. George MJ Nchwali	Chairman	5
Ms. Rehema Tukai	Member	5

The Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the company's financial statements and financial reporting process, systems of accounting and financial controls; the annual external audit of financial statements, reporting and internal controls; performance of the Internal Audit, Risk Functions; compliance with legal and regulatory requirements; adequacy of the risk management function; the oversight responsibility on planning and conduct of audits to determine that the company's financial statements and disclosures are complete and accurate and are in accordance with International Financial Reporting Standards and applicable laws, rules and regulations.

Audit Functions: The BAC assists the Board by providing oversight of the Bank's financial reporting responsibilities including external audit independence and performance. The Audit Committee responsibilities include the following:

- Reviewing the quarterly and full- year statutory financial reports for recommendation to the Board.
- Reviewing significant accounting estimates and judgments used for the preparation of the financial reports.
- Advising the Board on the NICOL's financial reporting requirements to ensure that the Board has exercised oversight of the work carried out by management, and the external auditor.
- Reviewing and approving any new or proposed changes in the accounting policies.
- Monitoring developments in statutory reporting and accounting and disclosure requirements
- Reviewing the effectiveness of, and ensuring that management has appropriate internal controls over, financial reporting
- Reviewing and monitoring the relationship with the external auditor and oversees its appointment, tenure, rotation, remuneration, independence, and engagement for non-audit services.
- And overseeing the work of the Internal Audit and monitoring and assessing the effectiveness, performance, resourcing, independence and standing of the function.

BOARD EXECUTIVE COMMITTEE

COMMITTEE COMPOSITION

NAME	POSITION
Dr. Gideon H Kaunda	Chairman
Eng. Gissima Nyamo-Hanga **	Member

** Engineer Gissima Nyamo_hanga was appointed as Director at the Extra-Ordinary Shareholders Meeting on 30th April 2022.

- The Committee assists the Board in fulfilling its oversight responsibilities in accordance with the Articles of Association of the Company.
- The Committee, which is a steering committee for the full Board, has an oversight role over the critical key issues of the Company, provide guidance, support and mentor Management during transitional periods as well as be involved in any crisis situation that may arise within the Company.

Corporate GOVERNANCE

- It is the general intention that all substantive matters in the ordinary course of business are brought before the full Board for action and/or ratification, but the Board recognizes the need for flexibility to act on substantive matters where action may be necessary between Board meetings.

COMPANY SECRETARY

The company secretary is Mr. Benjamin Mwakagamba, and he provides support and guidance to the Board in matters relating to governance and ethical practices. He is also responsible for induction programs of new directors, keeping board members abreast of relevant changes in legislation and governance principles.

The Company Secretary is the custodian of all Board minutes for all committees and Board.

COMMUNICATION WITH SHAREHOLDERS

The company recognizes that effective communication with stakeholders is essential to good governance. Following the publication of its financial results, it engages with investors to present the results and answer questions accordingly. Shareholders are encouraged to attend the Annual General Meeting to be held on Saturday, 12th November 2022 and participate to discuss the affairs and development of the company.

DIRECTOR'S PROFILE

NICOL

The Economic Shield of The Nation

NICOL BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors CAREER PROFILES

GIDEON H KAUNDA (PhD)
BOARD CHAIRMAN

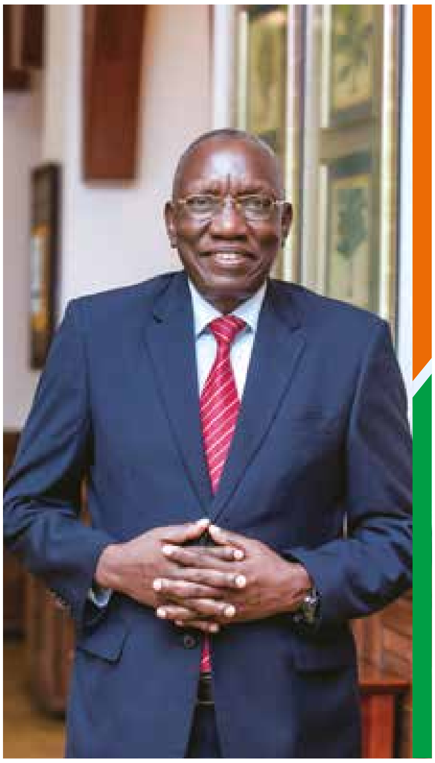
Graduated first as a lawyer earning an LLB degree, University of East Africa, Dar-Es-Salaam College. Practiced in Tanzania, Kenya and Uganda as Counsel in the EACSO/EAC, prior to appointment as Tanzania Permanent Representative on ICAO Council in Montreal, Canada. He rejoined Government service after his overseas diplomatic tour of duty. As a UNDP Scholar, Dr. Kaunda obtained a Diploma in Air and Space law, subsequently graduating with a Masters Degree (LLM) and a PhD (DCL), at the Faculty of Graduate Studies and Research, McGill University, Canada.

At different times he served in various National Institutions as Board Director, in STS, NTC, ATCL, the Tanzania Commission for Universities (TCU);Task Force Member- Presidential Commission on Reduction of Expenditure in Government Ministries and Corporations and Steps to Increase Efficiency and Productivity and Member of the National Sports Council.

Internationally, he served as a Consultant with the World Bank, UNDP, the European Union (EU), AFCAC, Economic Commission for Africa (ECA), (as Consultant of the UN Secretariat), COMESA and the Lesotho Government on infrastructure projects. He also carried out investment and advisory assignments of multinational companies in mineral prospecting and gold extraction for Golden Pride Nzega, AUSENCO of Australia, Shanta Gold Mine (Songwe) and Peak Resources of Australia on Rear Earth Minerals. He currently serves as EXTENDA Chairman, a regional micro-finance entity.

Before joining the private sector as a TPSF Member, Dr. Kaunda was appointed by a London Panel of Judges Session as an Arbitrator of the International Court of Aviation and Space Arbitration (ICASA).

He maintains special interest in the Outer Space regime and scientific studies on celestial bodies, associated with the UN- COPUOS. Other areas of involvement include: Member, Tanzania Institute of Directors; Trustee; Nelson Mandela African Institute of Science and Technology; Founder Director, VIASAT-1 Free to Air Television Network (TV-1.); Participant; Tanzania Government Technical Preparatory Team for the Five Year Development Plan (FYDP- II) 2016 – 2021; Member, Court Users` Committee, High Court Commercial Division; Chairman; Rural Energy Agency (REA); Board Director and Investment Committee Member; TICL; Member, Tanganyika Law Society and Advocate of the High Court of Tanzania; Life Member, McGill Institute of Air and Space Law Canada, Co-opted Member, Flight Transportation Laboratory, Centre for Advanced Engineering Study, School of Aeronautics and Astronautics, Massachusetts Institute of Technology (MIT), Cambridge, Boston USA; Rotary International Paul Harris Fellow (2002); President, Rotary Club of Dar-Es-Salaam (2002- 2003).



CPA GEORGE M. J. NCHWALI
NON-EXECUTIVE DIRECTOR

Mr. George M. J. Nchwali was appointed as Non-Executive Director of National Investments Plc, his appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

CPA George M.J. Nchwali is an authorized Certified Public Accountant in Public Practice (CPA-PP). He holds Master of Business Administration (MBA) from University of Dar es Salaam, Certificate in Company Direction (IOD – UK) and a Diploma in Accounting.

He is an audit partner of BMF Associates and Chairperson of BMF Consult Ltd. He is a retired civil servant with more than 31 years of working experience in the fields of Financial, Management and Forensic Accounting and Investment Planning supplemented by Human Resources Management and Corporate Secretarial Services.

Worked as Director of Finance & Administration of the Rural Energy Agency (REA); Finance & Administration Manager of the National Examinations Council of Tanzania (NECTA); Rural Livelihood Development Company (RLDC) and Tanzanian & Italian Petroleum Refinery (TIPER). Also worked as General Manager, Chief Internal Auditor and Company Secretary of Tanzanian & Italian Petroleum Refinery (TIPER); Internal Auditor of VETA (Vocational Education and Training Authority), Internal Auditor at Agip Tanzania Ltd and a Tutor at Dar es Salaam School of Accountancy – Ministry of Finance.

At different times CPA Nchwali served as a Board member of the Energy and Water Utilities Regulatory Authority (EWURA), St. Joseph Millennium Secondary School, member of the Disciplinary and Education Committees of the Tanzania Association of Accountants (TAA) and is currently serving as a member of the Governing Board of TANOIL Investments Limited. He undertaken training in Advanced Issues in Regulating Electric and Water Utilities at the Institute for Public-Private Partnerships (IP3)-Washington, DC and Utilities Regulatory Studies Program (Camp NARUC) at the Institute of Public Utilities – Michigan State University (USA).

Board of Directors
CAREER PROFILES

CPA OSWALD M. URASSA
NON EXECUTIVE DIRECTOR

CPA Oswald Urassa was appointed and became a Non-Executive Director of National Investments Plc. His appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

CPA Oswald Urassa studied Accountancy at the University of Dar es Salaam, Tanzania before joining the University of Birmingham, United Kingdom (UK) for his Masters in Business Administration (MBA). He is Certified Public Accountant and a fellow member of the local Accountancy Body (National Board of Accountants and Auditors-NBAA) as well as Tanzania Association of Accountants (TAA).

He is Certified Commonwealth Corporate Governance Practitioner and Trainer. CPA Oswald has attended several short courses in the areas of financial reporting, corporate governance, auditing, risk management, capital markets, securities market risk management and performance auditing organized by the World Bank, International Finance Corporation (IFC), NBAA, Bank of Tanzania (BOT); BSE Securities Exchange (formerly Bombay Stock Exchange) – India; Centre for Corporate Governance in Kenya and University of Connecticut – USA among others.

He has facilitated some consultancy assignments in the areas of risk management, strategic planning, corporate governance and preparation of Board Charter.

CPA Oswald started his career as Tutorial Assistant with the Institute of Finance Management (IFM), one of the highly respected institutions of higher learning in Tanzania where he rose to the position of Senior Lecturer and Head of Accountancy Department. He moved to Dar es Salaam Stock Exchange (DSE) as the founding Head of Finance and Operations before shifting to NMB Bank Plc as Treasurer of NMB Bank Plc, the largest commercial bank in Tanzania. CPA Oswald later joined Tanzania Mortgage Refinance Company Ltd (TMRC) as Chief Finance Officer (CFO) where he is currently working.

He is Non- Executive Director of the Tanzania Portland Cement Plc Board of Directors and Rural Energy Agency (REA). He previously served as a Trustee at the GEPF Retirement Benefit Fund for nine (9) years before the merger of pension funds in July 2018; Board Member, National Board of Accountants and Auditors Governing Board; Chairman of the Tanzania Association of Accountants (TAA) Governing Board as well as Chairman of the Evangelical Lutheran Church in Tanzania, Eastern and Coastal Diocese Investment Trust Board (ELCT-ECD- ITB).

MS. KISSA VIVIAN KILINDU
NON EXECUTIVE DIRECTOR

Kissa Vivian Kilindu was appointed as Non-Executive Director of National Investments Plc and her appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

Ms. Kissa Vivian Kilindu is an Assistant Director at the Prime Minister's Office. She has previously worked as a Director at Tanzania Employment Services Agency and at the Bank of Tanzania as a Senior Computer Systems Engineer.

An MBA holder (Durham University – UK), Ms. Kilindu is an Engineer by profession holding a BEng. (Hons) Electrical and Electronic degree from the University of Greenwich (UK). Ms. Kilindu has over 20 years of extensive working experience in areas of Information and Communication Technology Governance, Management and Policy Research.

Her passion is Cyber Security, and she is an ICT Professional Member of the Information and Communication Technologies Commission (ICTC), Registered Member of the Engineers Registration Board (ERB) and Member of the Institute of Directors in Tanzania (IoDT).

Ms Kilindu serves as a Member of the Board of Directors of National Investments PLC (NICOL) Investment and Financing Committee and also serves as a Member of the Board of Directors of Mwalimu Commercial Bank (MCB) where she is a Member of the Audit and Risk Committee. She is also a member of the ICT Steering Committee of the Public Service Social Security Fund (PSSSF).

She has previously served as a Member of the Board of Directors of Tanzania Electric Supply Company Limited (TANESCO) where she was a Member of the Audit, Corporate and Governance Committee.

Board of Directors CAREER PROFILES

ENG. BONIFACE GISSIMA NYAMO-HANGA
NON EXECUTIVE DIRECTOR

Eng. Boniface Gissima Nyamo-Hanga was appointed and became a Non-Executive Director of National Investments Plc, his appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

Eng. Boniface Gissima Nyamo-Hanga, currently serves as the Managing Director of Tanzania Electric Supply Company Limited (TANESCO). Prior to that, he worked at Tanzania Buildings Agency (TBA) in its Dodoma Office responsible for overseeing operations of the New Debating Chamber of the Parliament.

Eng. Boniface Gissima Nyamo-Hanga had worked with the Rural Energy Agency (2008 – 2019) where he held several Senior Positions including Manager of Technical Assistance, Director of Market Development & Technologies, Director General of the Rural Energy Agency (REA) and the Chief Executive Officer of the Rural Energy Fund (REF) and Secretary to the Rural Energy Board (REB).

From 2014 to 2015 Eng. Boniface Gissima Nyamo-Hanga served as the Chairperson of the CDM PoA Seller's Participants of Certified Emission Reductions (CERs), a Carbon Finance Partnership Facility (CPF) under the UNFCCC and the IBRD (World Bank) representing seller participants from Tanzania, Egypt, Morocco, Brazil, Thailand, Vietnam, Philippines and Sri Lanka.

From 2017 to 2020 Eng. Boniface Gissima Nyamo-Hanga served as a Member to the National Energy Advisory Platform to advice the Government of Tanzania on Energy for Social and Economic Development. In June 2021 he was appointed by the President of the United Republic of Tanzania to serve a three years term as a Member to the Fair Competition Tribunal (FCT).

He is a registered Professional Engineer with the Engineers Registration Board of Tanzania (ERB), a Member of the Institute of Directors Tanzania (IoDT), Member of the Tanzania Institute of Arbitrators (TiArb), Member of Tanzania Accountants Association (TAA), Member of the International Solar Energy Society (ISES) and Member of the Project Management Institute (PMI) of the US.

MS. REHEMA A. TUKAI
NON EXECUTIVE DIRECTOR

Ms. Rehema Tukai was appointed as Non-Executive Director of National Investments Plc and her appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

Rehema is a development expert with over 16 years in senior management roles focusing on institutional & partnership frameworks, programme management and developing organizational approaches to optimize delivery of results, monitoring and learning.

Rehema Tukai is consulting with KPMG Development Advisory since 2012, currently serving as Deputy Director for the Accountability in Tanzania Programme, a UKaid funded programme managed by KPMG Advisory. Prior to that she worked for REPOA, a national think tank focusing on policy research and advisory on economic development.

She brings experience on institutional governance from serving on a number of boards and committees. She is a Deputy Board Chairperson of REPOA and Board Treasurer for Voluntary Services Overseas in Tanzania and a member of the PPP Steering Committee.

She is an alumnus of University of Canberra in Australia and Institute of Social Studies at Erasmus University in the Netherlands and has expert qualification in Monitoring and Evaluation.

ADV. BENJAMIN MWAKAGAMBA
COMPANY SECRETARY

Mr. Benjamin Mwakagamba is an Advocate of the High Court of Tanzania and a professional member of Tanganyika Law Society (TLS) and East Africa Law Society (EALS). Currently, he is the Managing Partner and founder of the Law Firm styled as BM Attorneys.

He is a legal practitioner and travelled appreciable distance in the litigation field. He deals with company formation and investments advice, corporate restructuring, legal services to banks and other financial institutions, Environmental Law, Intellectual property law, Corporate, Statutory and Business support services, Labour Law, Tax Law, Land Law conveyancing and receivership liquidation.

He is appointed retainer by Tanzania Action Aid as Legal Counsel handling all legal matters of the organisation. Also, he is the Company Secretary of National Investments PLC (NICOL)

THE EXECUTIVE MANAGEMENT TEAM

The Executive MANAGEMENT TEAM

ERASTO G. NGAMILAGA
CHIEF EXECUTIVE OFFICER

Mr. Erasto Gaudence Ngamilaga joined National Investments PLC in June 2017, after more than five years of service at the Serengeti Breweries Ltd as subsidiary of the DIAGEO a multinational company based in UK served in various senior leadership position including Credit Risk Manager and Supply Finance Manager. Before entrusted by the NICOL Board in the position of the Chief Executive Officer of NICOL, Ngamilaga was as the Chief Finance Officer of NICOL.

Prior to year 2017, Ngamilaga also served as the Deputy Chief Executive Officer of the National Investments PLC, where he brought significant impacts to the achievement in the re-listing of NICOL shares at the Dar Es Salaam Stock Exchange in year 2018. He also made significant impact in portfolio diversification in driving agenda for sustainability, increased returns, shareholders value and growth.

Ngamilaga career in Finance and Management spans over fifteen (15) years, covering Financial Accounting, Banking Operation, Project Management and control functions. He has immense experience in Strategic Management, Management, Transformational Leadership and Business Turnaround Strategy.

He has successfully led teams to deliver on various key areas that have helped to shape the required needs of the companies.

Earlier in his career, Ngamilaga worked for NMB Plc as the bank officer and later promoted as the Financial Analyst and selected to be part in leading transformation team (Sunrise Project) in the transformation of the NMB Bank.

In 2009, had to grow his career and joined the TanzaniteOne Mining Ltd as the Manufacturing Accountant and later promoted to the position of Finance Manager. He was then moved to Sumbawanga Agricultural and Animal Feed Ltd as the Finance Manager in 2011.

Ngamilaga is the Certified Public Accountant (CPA T) issued by the National Board of Accountant and Auditors (NBAA) and also holds a Masters Degree in Finance and Investments from Coventry University. He has also attended various Executive Development and Leadership programs, various NBAA seminars and other development programs.

Ngamilaga is the believer of positive change to bring about positive impacts to the owners of the Shareholders, to the people and to the national economy at large.

EZEKIEL LOVILILO
CHIEF FINANCE OFFICER

Ezekiel Lovililo who joined NICOL as the Chief Finance Officer in July 2022 has more than 10 years of experience in finance, spanning various industries including financial services, government, and investments in international and multi-cultural environments. Ezekiel has a proven track of building competent teams, improving performance, business turnaround, simplification, and digitalisation.

His division is responsible for the overall financial strategy, management, and oversight of the Group.

Prior to joining NICOL, Lovililo was Chief Finance Officer at Britam Insurance Tanzania Limited where he oversaw finance, corporate treasury, strategy, corporate development, investor relations, property, and supply chain management functions.

His extensive experience in providing direction of the financial strategic planning and tactical initiatives to accomplish goals brings in significant value to the Group.

Lovililo is an Associate Certified Public Accountant (ACPA) issued by the National Board of Accountants and Auditors (NBAA) and holds a Diploma in International Public Sector Accounting Standards (IPSAS) issued by the National Board of Accountants and Auditors (NBAA). He also holds a Master Degree of Science in Accounting and Finance from Mzumbe University. He also holds a Bachelor of Accounting and Finance from Mzumbe University. He has attended various executive programs and events as well as professional trainings.

Lovililo is a visionary leader with result-oriented mindset who believes in change and embraces it in a better way to reach a goal and add value to the Shareholders.

The Executive MANAGEMENT TEAM

DEOGRATIAS DARIO
INVESTMENT MANAGER

Deogratias Dario joined NICOL as the Investment Manager in April 2021. He is a seasoned professional with over 8 years of experience in the financial sector. He has extensive knowledge and expertise in financial markets, portfolio management and project financing. His division is responsible for development of strategic plans of the company's direction and analyse investment opportunities with potential to meet the company's financial and investment objectives.

Prior to joining NICOL, Dario spent six years in the stock brokerage and investment advisory industry, holding various positions at CORE Securities Limited. Throughout his career he has accumulated a deep understanding of the Tanzanian capital market and attained strong requisites as an investment advisor.

Dario's skill set is underscored by proven technical proficiency, outstanding interpersonal abilities, and effective leadership qualities poised to make a significant contribution to NICOL's sustainable growth.

Dario holds a MSc. in Finance and Investment from Coventry University and a Bachelor's degree in Economics and Finance from the Institute of Accountancy Arusha. Also, He holds the Securities Industry Certification from Capital Markets and Securities Authority (CMSA) in collaboration with the Chartered Institute of Securities and Investment, UK. He is a certified Securities and Investments practitioner by the Chartered Institute of Securities and Investment (CISI)

INVESTMENT COMMITTEE PROFILE

Investment & Finance COMMITTEE PROFILE

CPA OSWALD M. URASSA
CHAIRMAN

CPA Oswald Urassa was appointed and became a Non-Executive Director of National Investments Plc. His appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

CPA Oswald Urassa studied Accountancy at the University of Dar es Salaam, Tanzania before joining the University of Birmingham, United Kingdom (UK) for his Masters in Business Administration (MBA). He is Certified Public Accountant and a fellow member of the local Accountancy Body (National Board of Accountants and Auditors-NBAA) as well as Tanzania Association of Accountants (TAA).

He is Certified Commonwealth Corporate Governance Practitioner and Trainer. CPA Oswald has attended several short courses in the areas of financial reporting, corporate governance, auditing, risk management, capital markets, securities market risk management and performance auditing organized by the World Bank, International Finance Corporation (IFC), NBAA, Bank of Tanzania (BOT); BSE Securities Exchange (formerly Bombay Stock Exchange) – India; Centre for Corporate Governance in Kenya and University of Connecticut – USA among others. He has facilitated some consultancy assignments in the areas of risk management, strategic planning, corporate governance and preparation of Board Charter.

CPA Oswald started his career as Tutorial Assistant with the Institute of Finance Management (IFM), one of the highly respected institutions of higher learning in Tanzania where he rose to the position of Senior Lecturer and Head of Accountancy Department.

He moved to Dar es Salaam Stock Exchange (DSE) as the founding Head of Finance and Operations before shifting to NMB Bank Plc as Treasurer of NMB Bank Plc, the largest commercial bank in Tanzania. CPA Oswald later joined Tanzania Mortgage Refinance Company Ltd (TMRC) as Chief Finance Officer (CFO) where he is currently working. He is Non-Executive Director of the Tanzania Portland Cement Plc Board of Directors and Rural Energy Agency (REA).

He previously served as a Trustee at the GEPF Retirement Benefit Fund for nine (9) years before the merger of pension funds in July 2018; Board Member, National Board of Accountants and Auditors Governing Board; Chairman of the Tanzania Association of Accountants (TAA) Governing Board as well as Chairman of the Evangelical Lutheran Church in Tanzania, Eastern and Coastal Diocese Investment Trust Board (ELCT-ECD- ITB).

MS. KISSA VIVIAN KILINDU
DIRECTOR

Kissa Vivian Kilindu was appointed as Non-Executive Director of National Investments Plc and her appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

Ms. Kissa Vivian Kilindu is an Assistant Director at the Prime Minister's Office. She has previously worked as a Director at Tanzania Employment Services Agency and at the Bank of Tanzania as a Senior Computer Systems Engineer.

An MBA holder (Durham University – UK), Ms. Kilindu is an Engineer by profession holding a BEng. (Hons) Electrical and Electronic degree from the University of Greenwich (UK). Ms. Kilindu has over 20 years of extensive working experience in areas of Information and Communication Technology Governance, Management and Policy Research. Her passion is Cyber Security, and she is an ICT Professional Member of the Information and Communication Technologies Commission (ICTC), Registered Member of the Engineers Registration Board (ERB) and Member of the Institute of Directors in Tanzania (IoDT).

Ms Kilindu serves as a Member of the Board of Directors of National Investments PLC (NICOL) Investment and Financing Committee and also serves as a Member of the Board of Directors of Mwalimu Commercial Bank (MCB) where she is a Member of the Audit and Risk Committee. She is also a member of the ICT Steering Committee of the Public Service Social Security Fund (PSSSF).

She has previously served as a Member of the Board of Directors of Tanzania Electric Supply Company Limited (TANESCO) where she was a Member of the Audit, Corporate and Governance Committee.

Investment & Finance COMMITTEE PROFILE

HILDEBRAND E SHAYO BA (Hons) MSc, Dev Eco, PhD
CHAIRMAN

Hildebrand Shayo is a holder of a PhD degree in Resource planning (resource economics) from London South Bank University, UK. He also holds a Master's degree in Development Studies (development planning) from the University of Dar es Salaam obtained in 1995. He also holds a Bachelor of Arts and Social Science (Economics) obtained in 1993 from the University of Dar es Salaam, Tanzania.

Currently is the Principal Officer, of Agency Fund Solicitation and Administration at TIB Development Bank, wholly owned by the Government of the United Republic of Tanzania. Dr Hildebrand Shayo joined TIB Development Bank as Manager of Strategic Planning and Economic Research in 2013. Before that, worked at the Open University of Tanzania as a Senior Lecturer at the Economics Department from 2010-2011. Before that worked as Investment and Asset Manager for Tanzania National Investment Company cum Chief Executive Officer (CEO), then NICOL's subsidiary company.

Before joining Open university worked as an associate researcher/ lecturer at the Built Environment, London South Bank University from 2004 to November 2009. Before working at LSBU, worked at the Prime Minister's Office of the United Republic of Tanzania as a data analyst at a national local government reform program.

Before joining PMO, worked as Senior Investigator Office at the prevention corruption bureau (PCCB) under the President's Office. Before, worked as a tutorial assistant at the Institute of Development studies at the University of Dar es salaam from 1995 to 1999 and part-time lecturer at the Police College, at Kurasini Dar es Salaam Tanzania.

Hildebrand has served as a Board of Directors for strategic government establishment Institutions in Tanzania, namely:- Tanzania Port Authority (TPA), Tanzania State Mining Corporation (STAMICO), Tanzania Red Cross (TRC) and Tanzania Broadcasting Corporation (TBC). He has published widely- books, book chapters and published more than 350 investment and business articles in local and international academic journals. He is a Moodys trained investment data analyst and a certified and Nominated Transaction Advisor since 2013 by the Capital Market Authority of Tanzania (CMSA).

BRIGHTON ROSS KINEMO, ACSI
COMMITTEE MEMBER

Brighton Ross Kinemo, ACSI, FIA, is a distinguished professional in the financial industry, holding the esteemed Director certification from the Institute of Directors Tanzania (IODT).

He is also an accomplished Associate member of the prestigious Chartered Institute for Securities & Investment (CISI UK) and has earned the ACI Dealing Certificate. Brighton's academic background includes an MSc. in Economics & Finance for Development from the University of Bradford, UK, and a BA in Economics. He is a Certified Investment & Securities Practitioner (BIST) and holds the Securities Industry Certification (SICC) from the Capital Markets Security Authority Tanzania (CMSA). Additionally, he has achieved the prestigious FISD Financial Information Associate (FIA) designation.

With a visionary and forward-thinking approach, Brighton Ross Kinemo boasts a remarkable track record spanning over a decade in the financial markets. His adept leadership has consistently driven progressive growth and unparalleled achievements in diverse areas of the financial industry.

Brighton has a wealth of experience in Money Markets instruments, Equity Market and Bond Trading (Fixed income), Market Data, and the oversight of training and capacity-building initiatives within the Capital Market industry. He is known for his expertise in tailoring programs to enhance the capacity of Small and Medium Enterprises (SMEs), promoting long-term investment in growth companies, and enabling SMEs to attract diverse sources of capital. His professional journey has also included valuable experiences with notable financial institutions such as I&M Bank and Citibank Tanzania.

Brighton Ross Kinemo's commitment to excellence, strategic vision, and impactful contributions to the financial industry makes him a respected figure in the field.

KATHRYN KIGARABA NGENDA
COMMITTEE MEMBER

Kathryn has over 20 years' experience in finance and investment. As a former fund analyst, management consultant, CFO and strategic advisor, Kathryn is an expert in all aspects of investment facilitation, capitalisation, acquisitions and divestitures, finance and legal transactions, deal structuring and investor relations. She worked in Switzerland for many years and more recently in Kenya, South Africa, and Tanzania.

Previously consulting as Strategic Advisor to the Tanzania Mercantile Exchange, Kathryn is now Director of Tanzania Traders & Merchants Ltd. Tanzania's first privately owned commodity exchange. She is also a Non-Executive Director at Tanzania Private Equity & Venture Capital Association. Kathryn brings her deep understanding and networks across the financial sector in Tanzania as an investment facilitation expert on the GGF.

FINANCIAL STATEMENTS

The Report by those Charged with Governance

1. DIRECTORS

The Directors who served in office during the year and to the date of this report are shown on page 60.

2. REGISTERED OFFICE

National Investments Public Limited Company
Mirambo House, 3rd Floor 50 Mirambo Street
P.O. Box 7465, Dar es Salaam, Tanzania

3. BANKERS

Diamond Trust Bank Tanzania Limited
Masaki Branch
P.O. Box 115
Dar es Salaam, Tanzania

NMB Bank Plc
Bank House
P.O. Box 9213
Dar es Salaam, Tanzania

4. AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
P. O. Box 45, Pemba House,
Dar es Salaam

5. MAIN LAWYER

BM Attorneys,
RITA Tower, 22nd Floor, Plot 727/11,
Makunganya Street
P.O. Box 4681,
Dar es Salaam

6. COMPANY SECRETARY

Mr. Benjamin S. Mwakagamba
RITA Tower, 22nd Floor, Plot 727/11,
Makunganya Street
P.O. Box 4681,
Dar es Salaam

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report together with the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of National Investments Public Limited Company (the "Company" or "National Investments PLC") and its subsidiary Nico Land Development Company Ltd (together, the 'Group').

1. INCORPORATION

National Investments Public Limited Company is a public limited company incorporated in the United Republic of Tanzania under the Companies Act 2002 through certificate of incorporation number 41644 of 27 June 2001.

National Investments PLC's registered office is on the 3rd Floor, Mirambo House, 50 Mirambo Street, P.O Box 7465, Dar Es Salaam, Tanzania.

2. VISION

To develop and increase active participation of local Tanzanians in the management and control of the national economy.

3. MISSION

To be the leading Collective Investment Scheme in the country, mobilizing resources from public and participating in viable economic ventures through equity ownership and investments using the most cost-effective management systems and technology, highly qualified and motivated personnel.

4. PRINCIPAL ACTIVITIES

The principal activity of National Investments Plc is to invest in shares of listed and unlisted companies, Government bonds and other securities, and to establish and manage business enterprises in key sectors of the economy, such as manufacturing, financial services, telecommunications, agriculture, mining, and other service sectors. The Company is listed on the Dar Es Salaam Stock Exchange PLC (DSE) in Tanzania.

The Company's subsidiary Nico Land Development Company Limited is specialized in the real estate business in particular to the development and selling sub-division plots, development of community shopping malls, hotels and student hostels.

5. CORPORATE GOVERNANCE STATEMENT

The Company is committed to high standards of corporate governance. NICOL has a comprehensive range of policies and procedures in place designed to ensure that it is well managed, with effective oversight and controls.

The Board of Directors ("Board") of the Company sees governance as promoting strategic decision making that balances short, medium, and long-term outcomes, and safeguarding interests of the Company, shareholders, and the society in which we operate to create sustainable shared value.

Directors have a statutory duty to promote the success of the Company for the benefit of the stakeholders. In promoting the success of the Company, Directors must have due responsibility with regard to the long- term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with shareholders, Government and various stakeholders, the impact of the Company's operations on the community, the environment, and the desire to maintain a reputation for high standards of business conduct.

The Board is committed to ensuring that the Company complies with the laws, regulations, and standards applicable to the industry. The Board ensures that high standards and practices in Corporate Governance and more specifically the principles, practices and recommendations set out under the Code of Corporate Governance Practices for Listed Companies, 1994 (Capital Markets and Securities Authority (CMSA) Principles of Good Corporate Governance Practices), the Corporate Governance Regulations 2021 as well as the laws governing the establishment of the Collective Investment Scheme in safeguarding interest of all shareholders.

The Board believes that good corporate governance is the core driver of sustainable corporate performance and creates shared value by ensuring the right balance between organizational growth and long-term stakeholders' value.

NICOL's Board of Directors, regularly reviews its corporate governance arrangements and practices and ensures that the same reflects evolving good corporate governance norms, the developments in regulation, and stakeholders' expectations. Corporate governance framework enables the Board to oversee the strategic direction of the Company, financial goals, resource allocation, risk appetite and to hold the executive management accountable for execution.

6. NICOL'S GOVERNANCE FRAMEWORK

The Company operates within a clearly defined corporate governance framework which provides for delegation of specific mandates (as may be necessary) and clear lines of responsibility without abdicating the responsibility of the Board. Through the framework, the Board sets out the strategic direction of the Company while entrusting the day-to-day management of the business and the implementation of the Company's strategy to the Chief Executive Officer (CEO). The Board operates through three committees mandated to govern specific areas and assist the Board to undertake its duties effectively and efficiently in line with the strategic priorities.

NICOL has Board's Charter with terms of references which provide for a clear definition of the roles and responsibilities of the Company's Board Chairman, Directors as well as the Company Secretary. The roles and responsibilities of the Company's Board Chairman and the Chief Executive Officer are separate and distinct with a clear division of responsibility between the running of the Board and the executive responsibility of strategy execution and running of the company. NICOL is governed by the Board of Directors. The appointment of directors is regulated by the Memorandum and Articles of Association (MEMARTS) of the Company.

7. COMPOSITION OF THE BOARD OF DIRECTORS

The Company is committed to ensuring the overall effectiveness of the Board and that it achieves the appropriate composition and balance of directors. The Board comprises of non-executive Directors who bring a diversity of skills, experience, and knowledge to the discussion, and play an important role in supporting the Board. The non- executive Directors are expected to have a clear understanding of the strategy of the Company, Risk and Governance, as well as knowledge of the investment industry and in particular Collective Investment Scheme.

The aggregate mix of skills and experience of the Directors seeks to bring about individual and collective competence requisite in fostering robust and constructive debate, augments and challenges the strategic thinking of the executives thereby adding value to the Company.

Currently, the Board comprises six non-executive Directors including the Board Chairman. The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter, and applicable law.

As of the date of this report and for the year ended 31 December 2022, the Board of Directors ("the Board") comprised six Directors all of whom are Non-Executive Directors.

7. COMPOSITION OF THE BOARD OF DIRECTORS (continued)

NAME	POSITION	NATIONALITY	DATE OF APPOINTMENT
Dr. Gideon H. Kaunda	Chairman	Tanzanian	Re-appointed on 12 November 2022)
CPA George M.J. Nchwali	Director	Tanzanian	Appointed - 11-Feb-22
CPA Oswald M. Urassa	Director	Tanzanian	Appointed- 11-Feb-22
Ms. Kissa V. Kilindu	Director	Tanzanian	Appointed - 11-Feb-22
Ms. Rehema A. Tukai	Director	Tanzanian	Appointed - 11-Feb-22
Eng. Boniface G. Nyamo-Hanga	Director	Tanzanian	Appointed- 11-Feb-22

8. COMPANY SECRETARY

The Company's secretary as at 31 December 2022 and during the year was Adv. Benjamin S Mwakagamba.

The Company Secretary plays a key role in ensuring good governance by helping the Board and its committees' function effectively and in accordance with terms of references and best practices. The Company Secretary is responsible to;

- Maintaining strong and consistent governance practices at Board level and throughout the Company.
- Supporting the Board Chairman in ensuring effective functioning of the Board and its committees, and transparent engagement between senior management and the Board.
- Facilitates induction and professional development of Board members.
- Advises and supports the Board and management in ensuring effective end-to-end governance and decision making of the company.
- Provides support and guidance to the Board in matters relating to governance and ethical practices.
- Responsible for induction programs of new directors, keeping board members abreast of relevant changes in legislation and governance principles.

9. BOARD COMMITTEES

The Board places significant reliance on its committees by delegating a broad range of responsibilities and issues to them to achieve effective independent oversight and stewardship. It therefore remains crucial that effective linkages are in place between the

9. BOARD COMMITTEES (continued)

committees and the Board as a whole, as it is impracticable for at least one non-executive Directors to be members of at least each Committee.

Mechanisms are in place to facilitate these linkages, including ensuring that there are no gaps or unnecessary duplications between the remit of each committee and overlapping membership between Board committees where necessary. Alongside interconnected committee membership, the Board receives documented summaries of each of the committee's meetings.

During the year, the Board had the following board sub-committees to ensure a high standard of corporate governance throughout the Company.

i. Board Executive Committee (BEC)

ii. Board Audit and Risk Committee (BARC)

iii. Board Investment and Financing Committee (BIC)

9.1. Board Executive Committee (BEC):

The Committee assists the Board in fulfilling its oversight responsibilities in accordance with the Articles of Association of the Company. The Committee, which is a steering committee for the full Board, shall have an oversight role over the critical key projects of the Company, provide guidance, support and mentor Management during transitional periods as well as be involved in any crisis situation that may arise within the Company.

It is the general intention that all substantive matters in the ordinary course of business are brought before the full Board for action and/or ratification, but the Board recognizes the need for flexibility to act on substantive matters where action may be necessary between Board meetings.

NAME	NATIONALITY	QUALIFICATION/DISCIPLINE
Dr. Gideon H. Kaunda	Tanzanian	Economist, Lawyer
Eng. Boniface G. Nyamo-Hanga	Tanzanian	Engineer, Economist

9. BOARD COMMITTEES (continued)

9.2 Board Audit and Risk Committee (BARC)

The Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the Company's financial statements and financial reporting process, systems of accounting and financial controls; the annual external audit of financial statements, reporting and internal controls; performance of the Internal Audit and Risk Functions; compliance with legal and regulatory requirements; adequacy of the risk management function; the oversight responsibility on planning and conduct of audits to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with International Financial Reporting Standards and applicable laws, rules and regulations.

Audit Functions:

The BARC assists the Board by providing oversight of the Company's financial reporting responsibilities including external audit independence and performance. Currently, the Audit Committee comprises of two independent Directors. The Committee's responsibilities include the following:

- Reviewing the quarterly and full- year statutory financial reports for recommendation to the Board.
- Reviewing significant accounting estimates and judgments used for the preparation of the financial reports.
- Advising the Board on the Company's financial reporting requirements to ensure that the Board has exercised oversight of the work carried out by management, Internal Audit Function, and the external auditor.
- Reviewing and approving any new or proposed changes in the accounting policies.
- Monitoring developments in statutory reporting and accounting and disclosure requirements.
- Reviewing the effectiveness of, and ensuring that management has appropriate internal controls over, financial reporting.
- Reviewing and monitoring the relationship with the external auditor and oversees its appointment, tenure, rotation and remuneration.
- Overseeing the work of the Internal Audit and monitoring and assessing the effectiveness, performance, resourcing, independence and standing of the function.

9. BOARD COMMITTEES (continued)

9.2 Board Audit and Risk Committee (BARC) (continued)

BARC also has overall non-executive responsibility for oversight of risk-related matters and the risks impacting the Bank.

During the year, the committee met 4 times, the committee comprises of the following members;

NAME	NATIONALITY	QUALIFICATION/DISCIPLINE
CPA George M.J. Nchwali	Tanzanian	Certified Public Accountant
Ms. Rehema A. Tukai	Tanzanian	Development Practitioner, Economist and Environment Specialist

9.3 Board Investment and Financing Committee (BIFC)

The Investment Committee is responsible for creating and overseeing benchmarks and directives and measure their potential impact on financial condition of NICOL and assess their suitability in meeting the objectives of NICOL.

1) The asset allocation policy shall be sufficiently diversified to enable the appropriate fiduciary to manage risk without imprudently sacrificing returns.

2) The Committee with support from the Management, will establish investment performance benchmarks for each asset class, based on pre-approved criteria. The same shall be approved by the Board of Directors.

3) The Investment committee has the role of deciding investment priorities and establishes an efficient portfolio and submits the same for approval by the Board of Directors

The Chief Executive Officer of NICOL implement the asset allocation policy as recommended by the Investment and Financing Committee and approved by the Board of Directors.

All proposals of all new investment opportunities identified by the Management is reviewed by the Investment and Financing Committee which makes recommendation to the Board of Directors. The Board have the approval powers of all investments.

9. BOARD COMMITTEES (continued)

9.3 Board Investment and Financing Committee (BIFC) (continued)

The Committee met four (4) times during the year. It comprised of the following members:

NAME	NATIONALITY	QUALIFICATION/ DISCIPLINE	TITLE
CPA Oswald M. Urassa	Tanzanian	Certified Public Accountant	Director
Ms. Kissa V. Kilindu	Tanzanian	Engineer and ICT Specialist	Director
Dr. Hildebrand E. Shayo	Tanzanian	Economist	Invitee
Ms. Ngenda C. Kigaraba	Tanzanian	Economist	Invitee
Mr. Brighton R. Kinemo	Tanzanian	Economist	Invitee

10. BOARD ACTIVITIES DURING THE YEAR

During the year, there were 10 Board meetings six (6) of which were Extra- Ordinary Board Meetings. There were also.

- Five (5) Board Audit and Risk Committee meetings, (BARC)
- Four (4) Board Investment and Financing Committee meetings (BIFC)
- Two (2) Board Executive Committee meetings.

The following table shows the number of Board and Committee meetings held during the year and the attendance by directors: -

DIRECTOR'S NAME	BOARD	BEC (2)	BARC (5)	BIFC (4)
Dr. Gideon H. Kaunda	10	2	1	n/a
CPA George M.J. Nchwali	10	n/a	5	n/a
CPA Oswald M. Urassa	8	n/a	n/a	4
Ms. Kissa V. Kilindu	10	n/a	n/a	4
Ms. Rehema A. Tukai	8	n/a	5	n/a
Eng. Boniface G. Nyamo-Hanga	10	2	n/a	n/a

11. CORPORATE GOVERNANCE AND MANAGEMENT OF THE SUBSIDIARY

The subsidiary Nico Land Development Company Ltd is 99% owned by the National Investments Plc. The Board of Directors (the "Board") consists of two Directors. Two Directors hold non-executive position in the Company. The Board takes overall responsibility for the company, including responsibility for identifying key risk areas, considering, and monitoring

11. CORPORATE GOVERNANCE AND MANAGEMENT OF THE SUBSIDIARY (continued)

investment decisions, considering significant financial matters, and reviewing plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is required to meet at least four times a year. The Board delegates the day-to-day management of the business to the Chief Executive Officer assisted by parent company professionals on areas of accounting and secretarial services as per management service agreement.

The Management of the Company is under the Chief Executive Officer of the National Investments Plc. Due to the minimal number of transactions, the Company has no employees. The secretarial and other accounting services have been outsourced to the parent company as per management service agreement. As volume of transactions increases, the company shall review its structure and fill any identified gaps accordingly.

12. SHARE CAPITAL

	2022 TZS "000"	2021 TZS "000"
Authorized:		
1,600,000,000 (2021: 1,600,000,000) ordinary shares of 125 each	**200,000,000**	200,000,000
Issued and fully paid:		
61,634,834 (2021: 61,644,834) ordinary shares of TZS 125 each	**7,704,354**	7,705,604

	2022 TZS "000"	2021 TZS "000"
Share premium	**1,587,385**	647,342
Share register adjustment (Notes 13 and 14)	**1,250**	941,293
	1,588,635	1,587,385

13. SHAREHOLDERS

Shareholders of the National Investments PLC are as follows:

NAME OF SHAREHOLDER	2022		2021	
	Number of shares	**%**	**Number of shares**	**%**
The Public Service Social Security Fund	5,666,670	9.2	5,666,670	9.2
David Lang Ross	1,604,663	2.6	1,604,663	2.6
Ernest Saronga Massawe	808,000	1.3	808,000	1.3
Tanzania Posts Authority	800,000	1.3	800,000	1.3
East Africa Fuel Company	-	0.0	800,000	1.3
Tim Sandeman Staermose	-	0.0	784,500	1.3
Mark William Njiu	716,000	1.2	716,000	1.2
Maheboob Jafferali Ramji	689,571	1.1	499,980	0.8
Commex Holding Ltd	800,000	1.3	-	0.0
General Public	50,549,930	82.0	49,965,021	81.0
Total	61,634,834	100	61,644,834	100

14. PERFORMANCE FOR THE YEAR

The results for the year are set out on page 28 of these financial statements.

The Group's revenue increased by 47% having a total revenue of TZS 8.3 billion during the year (2021: TZS 5.7 billion). Operating income increased by 54% from TZS 4.1 billion in 2021 to TZS 6.3 billion during the year.

The total expenses incurred for the year ended 31 December 2022 have increased by 39% to TZS 2.2 billion (2021: TZS 1.6 billion). The major reason for this increase is the conveying of two extra-ordinary shareholders meetings.

The Group and Company had a profit after tax of TZS 5.92 billion and TZS 5.99 billion respectively (2021: profit TZS 3.88 billion).

15. KEY PERFORMANCE INDICATORS

The Key Performance Indicators of the Group and Company for the year ended 2022 were computed based on the targets set by the Group and Company in comparison with the actual performance results for the year.

15. KEY PERFORMANCE INDICATORS (continued)

The Key Performance Indicators were derived from a KPI dashboard which measured the following parameters throughout the year:

Key performance indicators

	GROUP	COMPANY	COMPANY
	2022	2022	2021
Revenue (TZS'000)	8,560,732	8,560,732	5,689,948
Gross profit (TZS'000)	6,284,358	6,355,603	4,110,220
Gross profit margin (%)	73	74	72
Profit for the year (TZS'000)	5,919,329	5,990,575	3,876,987
Net profit margin (%)	70	70	68
Net assets (TZS'000)	103,965,477	104,036,724	73,033,209
Return on capital employed (%)	5.1	5.2	5.6

16. STOCK EXCHANGE INFORMATION

In 2018, National Investments PLC was Relisted at the Dar Es Salaam Stock Exchange. The price per share as at year end date was TZS 350 (2021: TZS 300).

Market capitalization at 31 December 2022 was TZS 21.6 billion (2021: TZS 18.5 billion).

Stock price changes are affected by the demand and supply of shares in the stock market. Changes in economic conditions, market dynamics, regulations and accounting standards can have an impact on corporate profits, which may cause stock price changes on at least a temporary basis. However, net asset value of the National Investments Plc is considered to be around TZS 1,687 per share.

17. CURRENT AND FUTURE DEVELOPMENT PLANS

National Investments PLC is currently implementing a five-year strategy which is focusing on investing in a well-diversified portfolios to ensure value creation and improved shareholders return. The Group will continue to improve its profitability through the focusing on a diversified set of specialized associate enterprise, capable of flourishing and insulated from the shifting business landscape triggered by economic changes and technological imperatives to the advantage of the centrifugal growth while carefully managing both costs and risks.

18. STAKEHOLDERS RELATIONSHIP

The sustainability of our business depends on positive relationships with our stakeholders. We pursue stakeholder engagement systematically, which allows us to understand those risks that could impact our business. We believe that open exchange with and between diverse stakeholder groups has a significant potential and contribution in our strategy and ultimately our value creation. National Investments PLC, therefore, remains committed to understanding the needs of our stakeholders and receiving feedback, and responding appropriately so that we can consistently and sustainably create value in the short, medium and long term.

The table below highlights our stakeholders, their expectations and our strategic responses.

STAKEHOLDER GROUP	WHAT THESE STAKEHOLDERS CARE ABOUT	OUR STRATEGIC RESPONSES
Shareholders and Investment Community	· Share price growth. · Dividends paid. · Effective corporate governance. · Experienced management. · Sustainable growth. Industry regulation.	· Focusing on delivering operational efficiencies, growth, and international diversification. · Growing contribution of revenue from international markets. · Providing a diversified product and service offerings. Promoting an ethical culture and responsible corporate citizenship across the Group. · Robust risk management and control measures
Regulators and Government agencies	· Full compliance with regulatory obligations and laws. · Involvement in industry discussions and thought leadership. · Sustainable operations	· Ensure compliance with all applicable legislation. · Monitor and respond to changes in our regulatory landscapes, staying up to date with changes in laws, regulations, and compliance frameworks. · When called upon we engage with regulatory bodies to provide inputs for new/proposed legislation(s).

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022

STAKEHOLDER GROUP	WHAT THESE STAKEHOLDERS CARE ABOUT	OUR STRATEGIC RESPONSES
Employees	· Health and safety in the workplace. · Equitable remuneration. Career advancement and growth opportunities. Opportunities for learning and development. · Fair and equitable performance evaluation and feedback.	· Focusing on employee wellness and development. · Fair and competitive remuneration. · Talent development programs. · Investing in leadership development programs. Implementing strategies to ensure a highly engaged workforce. · Encouraging and supporting a culture of safety within the workplace. · Encouraging and supporting a culture of continuous personal learning. · Focusing on employee wellness and development. Fair and competitive remuneration. · Talent development programs. · Investing in leadership development programs. Implementing strategies to ensure a highly engaged workforce. · Encouraging and supporting a culture of safety within the workplace. · Encouraging and supporting a culture of continuous personal learning.
Suppliers	Timely payments. Beneficial long-term relationships. Sustainable business operations. Supporting of local business. Open communication on matters that concern them.	Use of technology to facilitate timely payments. Prioritizing fair and transparent procurement activities. Ensuring adequate diversification of supplies through selecting suppliers who provide quality, affordable supplies that meet our requirements. Supporting local vendors. Monitoring relationships with our suppliers.
Strategic Partners	Win-win collaboration opportunities. Our performance and leadership in areas of collaboration.	We have put in place a policy on strategic partnerships to ensure the interests of the partners and the Group are aligned and mutually beneficial to both parties.

19. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

Our enterprise risk management framework

National Investments PLC's long-term resilience and stability are the goal of our risk management initiatives. We accept the risks that come with our primary business. Even as we embrace these inherent risks, we strive to diversify them through our size and nature of the risk.

We invest in shares of listed and unlisted companies, government bonds, and other securities.

Because of our responsibility to our shareholders, we prefer to keep those risks that we believe we can manage to generate a return.

Types of risk inherent in our business model

National Investments PLC has two (2) types of risk that are inherent to its business model.

1) Risk Arising from our Investments and other core activities:

- These includes the credit risk, liquidity risk and market risk. (Refer Note 4)

2) Risk from our Operations and other business risks:

- **Operational risk:** This is the risk of direct or indirect losses resulting from insufficient or failed internal processes, people, and systems, as well as external events such as legislative or regulatory changes.

- **Strategic risk:** This is a risk that can occur as a result of poor business decisions, poor decision execution, insufficient resource allocation, or a failure to respond effectively to changes in the business environment.

How National Investments PLC share risk management responsibilities

The First Line of Defence - Executive Management

The Risk-Taking Function

In terms of strategy, performance measurement, and the formation and maintenance of internal control and risk management, the executive and management are the first line of defence.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (continued)

They are responsible for:

- Managing daily risk exposures through the use of suitable procedures, internal controls, and adherence to Company-wide specified policies.
- Ensuring that sufficient resources are allocated for the effective execution of risk management initiatives and activities.
- Tracking risk incidents and losses, identifying issues and taking remedial action to resolve these issues, and reporting and escalating material risks and issues to the appropriate governing bodies.

The Second Line of Defence - The Risk Management Function

The Risk Oversight Function

The second line of defence is in charge of maintaining a formal risk management framework within which the National Investments PLC's policies and minimum requirements are established, as well as objective risk management monitoring across the Group.

The second line of defence includes the Board Audit and Risk Committee.

The Third Line of Defence - The Internal Audit Function

The Risk Assurance Function

Internal Audit, the third line of defence, ensures the effectiveness of National Investments PLC's internal control mechanisms established by the first and second lines of defence in an independent and objective manner.

Internal Audit is also in charge of providing management and the Board of Directors with independent and objective assurance on the Group and Company's risk management, governance, business processes, and controls.

External auditors have a statutory duty to report to the Board Audit, Risk and Compliance Committee any accounting and operational controls weaknesses discovered during their audits.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (continued)

Overview of our principal risks

The types of risk to which the National Investments PLC is exposed, described in the table below,

MARKET RISK		
Risk Description	**Source of Risk**	**Mitigation**
The risk that the financial assets held reduce in value below what the current value is. This risk impacts equities, bonds, property, and any foreign currency, denominated exposures, including liabilities.	· Equity Price · Property · Interest Rate · Foreign Exchange · Inflation We actively match our assets to liabilities and therefore, uptake market risks that match our liabilities' profile. Additionally, we have a NIL appetite for property risks as this asset class does not match the underlying liabilities' profile.	· Risk appetites set to limit exposures to key market risks. · Asset and liability duration matching which limits impact of interest rate changes and ensures optimal liquidity.

COUNTERPARTY RISK		
Risk Description	**Source of Risk**	**Mitigation**
The risk that a counterparty defaults on a promise/ obligation, and therefore, the group or company loses some of its assets.	· Bank deposits · Corporate bonds and commercial paper	· Meeting of risk appetite for bank deposits in terms of maximum limit in a single bank and maximum exposure limits to Tier I, Tier II and Tier III banks. · Risk appetite limits for exposure to corporate bonds and commercial paper in terms of limits to a single entity.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (continued)

Overview of our principal risks (continued)

LIQUIDITY RISK		
Risk Description	**Source of Risk**	**Mitigation**
The risk that the business cannot meet its obligations or liabilities as and when they fall due.	· Mismatch of assets and liabilities, usually by duration · Low cash flow generation, e.g., due to reduced inflows and higher withdrawals	· Documented procedures for the finance and investment team that ensure liquidity is monitored daily. · Maintaining committed borrowing facilities from banks

OPERATIONAL RISK		
Risk Description	**Source of Risk**	**Mitigation**
Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.	· Conduct · Legal & regulatory · People · Process · Data security · Technology · Brand and Reputation Operational risk should generally be reduced to as low a level as is commercially sensible. Operational risk will rarely provide us with an upside.	· Application of enhanced business standards covering key processes. · Enhanced scenario-based approach to determine appropriate level of capital to be held in respect of operational risks. · Ongoing investment in simplifying our technology to improve the resilience and reliability of our systems and in IT security to protect our data.

Principal emerging risks

Compliance Risks

- National Investments PLC being a listed Company at the Dar es Salaam Stock Exchange Market Plc (DSE) and being regulated by the Capital Market and Securities Authority (CMSA) poses a risk of compliance due to the reporting requirements and adherence to the rules and regulations of a listed company. Having known that, a risk dashboard is in place to ensure no reporting deadline is missed and all rules and regulations are adhered.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (continued)

Principal emerging risks (continued)

Cyber Security Risks

- The advanced use of technology in interactions with shareholders and stakeholders. This has caused heightened exposure to cyber related risks. However, our IT Security infrastructure has continued to ensure that our IT assets remain well protected even as there is heightened cyber security risk.

Fraud Risks

- Fraud risk remains a key risk for the business and as a result, National Investments PLC is in the process of implementing a comprehensive fraud risk management framework that incorporates; fraud prevention, proactive detection, investigation and response. As part of the organization's governance structure, National Investments PLC will have fraud risk management programs in place, including written policies to convey the expectations of the board of directors and senior management regarding the management of fraud risk. There are mechanisms to periodically assess fraud risk exposure within the organization to identify potential fraud schemes and events that the company needs to mitigate.

Environmental, social, and governance (ESG) Risks

Environmental, Social, and Governance (ESG) issues as well as their associated opportunities and risks are becoming more and more relevant for financial institutions. Sustainability is not just an ethical but may soon enough also become an economic and existential question — generating a new type of risk.

A key pillar of ESG is the Environment. One source of environmental risk relates to climate change. This includes: – risks related to the transition to a lower-carbon economy, including policy and legal risks, technology risk, market risk and reputation risk – physical risks, such as changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting an organization's premises, operations, supply chains, transport needs, and employee safety.

National Investments PLC believes that activities that have negative E&S impacts affect the overall performance of the business.

National Investments PLC will use its reasonable commercial endeavors to adopt the following E&S principles to promote environmental and social protection and sustainable development in its activities:

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (continued)

Environmental, social, and governance risks (continued)

- All activities must be environmentally friendly and socially responsible;
- All activities shall comply with national legislation and where applicable international environmental management conventions;
- Ensuring E&S reporting transparency in its activities;
- All activities must have respect for local communities and indigenous people;
- National Investments PLC will not knowingly finance activities that contravene international environmental agreements that have been enacted into the law of, or otherwise have the force of law, in the country in which the project is located;
- Projects must develop standards that promote favorable working conditions and are not harmful to employee health and well-being;
- Where applicable, Environmental management systems and management plans shall be developed and implemented for all National Investments PLC's related projects and investments. These will be in line with international best practice;
- Ensuring that the management and the shareholders understand these E&S policy commitments made by National Investments PLC;
- Financing investments only when they are expected to be designed, built, operated, and maintained in a manner consistent with the Applicable Requirements and Guidelines

20. LIQUIDITY

National Investments PLC ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. The internal sources of the company's liquidity remain to be dividend income and interest income borne from the investments made.

21. TECHNOLOGY AND INNOVATION

National Investments PLC has adopted major changes in operating system so as to cope with the major changes already happening in the industry. The Company procured an operating system called Sage in 2018 and it is expected to fully migrate to Sage in 2023.

22. BUSINESS OBJECTIVES AND STRATEGIES

As an entity, we are faced by several challenges and opportunities. The Group's ongoing business profitability and sustainability is largely pegged on how we manage these challenges and weaknesses and take advantage of the opportunities and strengths.

Current and emerging risks that could threaten our business model, strategy and sustainability are identified and assessed through a top-down risk identification and assessment process. In addition, risks identified through the business unit strategic planning processes provide a bottom-up view.

National Investments PLC has identified key results areas and the associated strategic objectives as identified in the below table.

KEY RESULT AREA	STRATEGIC OBJECTIVE
Investment Growth and Diversification • Investment Portfolio expanded. • Company profitability expanded.	• Identify suitable investments. • Construct diversified portfolio. • Understand and practice the portfolio management. • Management of administrative and operational costs.
Business Development and Growth • Marketing initiatives strengthened.	• Improve Company visibility to the market. • Re-gain market confidence. • Use technology to improve shareholders information. • Introduce marketing and public relation department.
ICT Application Introduced • ICT application in operation strengthened.	• Improve available communication channels. • Invest in technology in order to digitalize the operations.
Financial and Human Resource Management Empowered • Financial management efficiency improved. • Human capital and performance improved.	• Introduce an effective system to record and monitor Company expenses. • Improve employees' skills which results to realization of the vision and strategic objective of the Company.
Company Governance Enhanced • Leadership and management system introduced.	• Improve corporate governance. • Improve the management system to support the successful leadership of the Company.

23. DIVIDENDS

During the year the Directors recommended payment of a final dividend of TZS 20 per share amounting to TZS 1,232,696,680 (2021: interim dividend TZS 17 per share amounting TZS 1,047,792,178) out of the profits for the year 2021.

24. EMPLOYEES WELFARE

Management and employee's relationship

There was continued good relation between employees and management for the year. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees.

National Investments PLC is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

The day-to-day management of the Group and Company is overseen by the Chief Executive Officer (CEO) CPA Erasto Ngamilaga with the help of the senior management handling various departments as outlined below.

DEPARTMENTS	DEPARTMENT HEAD	DESIGNATION
Finance and Administration	CPA Ezekiel Lovililo	Chief Finance Officer
Investment	Mr. Deogratias Dario	Investment Manager

National Investments PLC also has 3 officers and 2 office attendants making up a total number of 8 employees during the year 2022. Internal Audit being an important function to NICOL is being outsourced.

Training facilities

During the year the Group spent TZS 11 million (2021: TZS 4 million) for staff training in order to improve employees' technical skills and hence effectiveness.

Training programs are continually being developed to ensure employees are adequately trained at all levels. All employees have some form of annual training to upgrade skills and enhance development.

24. EMPLOYEES WELFARE (continued)

Medical assistance

All members of staff and their spouse with a maximum number of four beneficiaries (dependants) each, were availed medical insurance cover.

Employees benefit plan

The Group pays social security contributions to NSSF on a mandatory basis which qualifies to be a defined contribution plan.

The average number of employees during the year was 8 (2021:5)

YEAR	2022
Number of males	5
Number of females	3

25. ENVIRONMENTAL CONTROL PROGRAMME

The Group's plan is to implement a road map for a paperless office.

26. RELATED PARTY TRANSACTIONS

The details of related party balances and transactions are provided in note 23 to the financial statements.

27. AUDITORS

National Investments PLC appointed PricewaterhouseCoopers as auditor for the financial year 2022. A resolution for appointment of the National Investments PLC auditor for the year ending 31 December 2023 will be put to the Annual General Meeting for the same to be approved by the shareholders.

28. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Group and Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Group and Company.

BY ORDER OF THE BOARD

6 May 2023

DR. GIDEON H. KAUNDA
Chairman

The Companies Act, No. 12 of 2002 requires Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of National Investments PLC as at the end of the financial year and of its profit or loss for the year. It also requires the directors to ensure that National Investments PLC keeps proper accounting records that disclose, with reasonable accuracy, the financial position of National Investments PLC. They are also responsible for safeguarding the assets of National Investments PLC and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, No. 12 of 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of National Investments PLC and of its profit in accordance with IFRS. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that National Investments PLC will not remain a going concern for at least twelve months from the date of this statement.

BY ORDER OF THE BOARD

DR. GIDEON H. KAUNDA
Chairman

6 May 2023

CPA GEORGE M.J. NCHWALI
Director

DECLARATION OF THE CHIEF FINANCE OFFICER FOR THE YEAR ENDED 31 DECEMBER 2022

The National Board of Accountants and Auditors ("NBAA") according to the powers conferred to it 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 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 to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No.12 of 2002. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Statement of Directors' Responsibilities on the previous page.

I, Ezekiel Lovililo, being the Chief Finance Officer of National Investments PLC, hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2022 have been prepared in compliance with International Financial Reporting Standards and the requirements of the Companies Act, No. 12 of 2002

I thus confirm that the financial statements give a true and fair view of the financial position and results of National Investments PLC as on that date and for the year then ended, and that the financial statements have been prepared based on properly maintained financial records.

CPA EZEKIEL LOVILILO

Chief Finance Officer

NBAA Membership Number: **ACPA 4122**

Date: 06/05/2023

INDEPENDENT AUDITOR'S REPORT

Our opinion

In our opinion, the Group and Company financial statements give a true and fair view of the Group and Company financial position of National Investments Public Limited Company (the Company) and its subsidiary Nico Land Development Company Ltd (together the Group) as at 31 December 2022, and of its Group and Company financial performance and its Group and Company cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 12 of 2002.

What we have audited

National Investments Public Limited Company's Group and Company financial statements as set out on pages 28 to 83 comprise:

- the Group and Company statements of financial position as at 31 December 2022;
- the Group and Company statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Company statements of changes in equity for the year then ended;
- the Group and Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 Group and Company financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Company financial statements of the current period. We have determined that there are no such matters to report

Other information

The directors are responsible for the other information. The other information comprises Corporate information, The report by those charged with governance, Statement of Directors' responsibilities and Declaration of the Chief Finance Officer (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and other information that will be included in the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read other information that will be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the Group and Company financial statements

The directors are responsible for the preparation of the Group and Company financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of Group and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Group and Company financial statements

Our objectives are to obtain reasonable assurance about whether the Group and Company 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 Group and Company financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group and Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's responsibilities for the audit of the Group and Company financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Group and Company financial statements, including the disclosures, and whether the Group and Company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report

ZAINAB SALOME MSIMBE, FCPA-PP
For and on behalf of PricewaterhouseCoopers
Certified Public Accountants
Dar es Salaam

Date 16/05/2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group 2022 TZS'000	Company 2022 TZS'000	Company 2021 TZS'000
Interest income	6(a)	**3,019,960**	**3,019,960**	1,335,510
Dividend income	6(b)	**5,322,391**	**5,322,391**	4,354,438
Other income	7	**218,381**	**218,381**	-
Administrative expenses	8	**(2,095,439)**	**(2,024,193)**	(1,323,233)
Other operating expenses	9	**(180,935)**	**(180,935)**	(256,494)
Operating profit		**6,284,358**	**6,355,604**	4,110,221
Finance costs	10	**(87,685)**	**(87,685)**	(11,242)
Profit before taxation		**6,196,673**	**6,267,919**	4,098,979
Tax charge	11	**(277,344)**	**(277,344)**	(221,992)
Profit for the year		**5,919,329**	**5,990,575**	3,876,987
Attributable to:				
Owners of the Company		**5,920,041**	**-**	-
Non-controlling interest		**(712)**	-	-
		5,919,329	-	-
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Fair value revaluation gain/(loss) on equity instruments designated at FVOCI	24	**26,475,901**	**26,475,901**	(8,429,678)
Loss on sale of equity investments	27	**(230,264)**	**(230,264)**	(4,224,000)
		26,245,647	**26,475,637**	(12,653,678)
Total comprehensive income/(loss) for the year net of tax		**32,164,966**	**32,236,212**	(8,776,691)
Attributable to:				
Owners of the Company		**32,165,678**	-	-
Non-controlling interest		**(712)**	-	-
		32,164,966	-	-
Basic and diluted earnings per share	15	**96.04**	**97.19**	62.90

STATEMENT OF FINANCIAL POSITION

	Note	Group 2022 TZS'000	Company 2022 TZS'000	Company 2021 TZS'000
Equity				
Share capital	13	**7,704,354**	**7,704,354**	7,705,604
Share premium	14	**1,588,635**	**1,588,635**	1,587,385
Retained earnings		**36,241,505**	**36,312,039**	15,115,417
Fair value through OCI reserve		**58,431,696**	**58,431,696**	48,624,803
Equity attributable to owners		**103,966,190**	**104,036,724**	73,033,209
Non-controlling interest		**(712)**	**-**	-
Total Equity		**103,965,478**	**104,036,724**	73,033,209
Non-current liabilities				
Lease liabilities	16	**-**	**-**	31,822
Borrowings	28	**18,514,286**	**18,514,286**	-
		18,514,286	**18,514,286**	31,822
		122,479,764	**122,551,010**	73,065,031
REPRESENTED BY				
Non-current assets				
Property and equipment	17(b)	**62,024**	**62,024**	62,972
Capital work in progress	17(a)	**1,861,864**	**1,861,864**	1,632,000
Right-of-use asset	18	**27,912**	**27,912**	95,787
Long-term receivable	29	**-**	**1,534,247**	-
Investment in subsidiary	25	**-**	**25**	-
Equity investments at FVTOCI	24	**66,464,348**	**66,464,348**	57,123,378
Government securities at amortised cost	26	**34,637,359**	**34,637,359**	15,400,196
		103,053,507	**104,587,779**	74,314,333
Current assets				
Trade and other receivables	19	**743,905**	**1,309,658**	259,435
Investment property	30	**1,754,294**	**-**	-
Deposits with financial institutions	32	**10,021,918**	**10,021,918**	-
Cash and cash equivalents	20	**11,949,680**	**11,675,220**	636,834
		24,469,797	**23,006,796**	896,269
Current liabilities				
Lease liabilities	16	**6,025**	**6,025**	41,815
Borrowings	28	**3,085,714**	**3,085,714**	-
Provisions	31	**608,240**	**608,240**	788,826
Trade and other payables	21	**161,098**	**161,123**	251,140
Dividends payable	12	**1,182,463**	**1,182,463**	1,063,790
		5,043,540	**5,043,565**	2,145,571
Net current assets/(liabilities)		**19,426,257**	**17,963,231**	(1,249,302)
		122,479,764	**122,551,010**	73,065,031

The financial statements on pages 89 to 157 were approved and authorised for issue by the Board of Directors on 6 /05/2023 and were signed on its behalf by:

DR. GIDEON H. KAUNDA
Chairman

CPA GEORGE M.J. NCHWALI
Director

STATEMENT OF CHANGES IN EQUITY

Group	Notes	Share capital	Share premium	Fair value reserve on equity investments at FVTOCI	Retained earnings	Non-controlling interest	Total
		TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Year ended 31 December 2022							
At start of year		7,705,604	1,587,385	48,624,803	15,115,417	-	73,033,209
Profit for the year:		-	-	-	5,920,041	(712)	5,919,329
Adjustment of share register		(1,250)	1,250	-	-	-	-
Other comprehensive income for the year, net of income tax							
Fair value on disposed equity	24	-	-	(16,438,744)	16,438,744	-	-
Gain in fair value of equity instruments designated at fair value through other comprehensive income	24	-	-	26,475,901	-	-	26,475,901
Loss on disposed equity investments	27	-	-	(230,264)	-	-	(230,264)
Transactions with owners:							
Dividends:							
Final dividend for 2021	12	-	-	-	(1,232,697)	-	(1,232,697)
At end of year		**7,704,354**	**1,588,635**	**58,431,696**	**36,241,505**	**(712)**	**103,965,478**

STATEMENT OF CHANGES IN EQUITY

Company	Notes	Share capital	Share premium	FVOCI reserve	Retained earnings	Total
		TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Year ended 31 December 2022						
At start of year		7,705,604	1,587,385	48,624,803	15,115,417	73,033,209
Profit for the year:		-	-	-	5,990,575	5,990,575
Adjustment of share register		(1,250)	1,250	-	-	-
Other comprehensive income for the year, net of income tax:						
Fair value of disposed equity investments	24	-	-	(16,438,744)	16,438,744	-
Gain in fair value of equity instruments designated at fair value through other comprehensive income	24	-	-	26,475,901	-	26,475,901
Loss on disposed equity investments	27	-	-	(230,264)	-	(230,264)
Transactions with owners						
Dividends:						
Final dividend for 2021	12	-	-	-	(1,232,697)	(1,232,697)
At end of year		**7,704,354**	**1,588,635**	**58,431,696**	**36,312,039**	**104,036,724**
Year ended 31 December 2021						
At start of year		8,645,647	647,342	71,548,081	2,016,622	82,857,692
Profit for the year:		-	-	-	3,876,987	3,876,987
Adjustment of share register		(940,043)	940,043	-	-	-
Other comprehensive income for the year, net of income tax:						
Cumulative fair value of disposed equity investments		-	-	(10,269,600)	10,269,600	-
Loss in fair value of equity instruments designated at fair value through other comprehensive income	24	-	-	(8,429,678)	-	(8,429,678)
Loss on disposed equity investments	27	-	-	(4,224,000)	-	(4,224,000)
Transactions with owners:						
Dividends:						
Interim dividend for 2021	12	-	-	-	(1,047,792)	(1,047,792)
At end of year		7,705,604	1,587,385	48,624,803	15,115,417	73,033,209

STATEMENT OF CASH FLOWS

	Notes	Group 2022	Company 2022	Company 2021
		TZS'000	TZS'000	TZS'000
Operating activities				
Cash from operations	22	**2,612,671**	**583,942**	2,036,091
Tax paid	11	**(277,344)**	**(277,344)**	(221,992)
Net cash from operating activities		**2,335,327**	**306,598**	1,814,099
Investing activities				
Purchase of equipment	17 (b)	**(34,548)**	**(34,548)**	(68,629)
Purchase investment property	30	**(1,754,294)**	**-**	-
Capital work in progress	17 (a)	**(229,864)**	**(229,864)**	-
Investment in subsidiary	25	**-**	**(25)**	-
Purchase of treasury bonds		**(19,237,163)**	**(19,237,163)**	(13,657,957)
Proceeds from disposal of equity investments	27	**16,904,667**	**16,904,667**	11,220,000
Movement in deposits with banks		**(10,021,918)**	**(10,021,918)**	-
Interest income fixed deposit	6	**144,732**	**144,732**	46,033
Interest income treasury bonds	6	**2,859,920**	**2,859,920**	1,289,477
Interest income on account balance	6	**15,308**	**15,308**	-
Net cash from/(used in) investing activities		**(11,353,160)**	**(9,598,891)**	(1,171,076)
Financing activities				
Dividends paid		**(1,114,024)**	**(1,114,024)**	(713,703)
Borrowings	28	**21,600,000**	**21,600,000**	-
Payment of loan processing fee		**(76,464)**	**(76,464)**	-
Interest paid on lease liabilities		**(11,221)**	**(11,221)**	(11,242)
Principal payment on lease liabilities		**(67,612)**	**(67,612)**	(50,350)
Net cash used in financing activities		**20,330,679**	**20,330,679**	(775,295)
Increase/(decrease) in cash and cash equivalents		**11,312,846**	**11,038,386**	(132,272)
Movement in cash and cash equivalents				
At start of year		**636,834**	**636,834**	769,106
Increase/(Decrease) in cash and cash equivalents		**11,312,846**	**11,038,386**	(132,272)
At end of year	20	**11,949,680**	**11,675,220**	636,834

1. GENERAL INFORMATION

National Investments PLC is a Company incorporated in Tanzania under the Companies Act. The address of its registered office and principal place of business is indicated on page 1.

The statement of profit or loss and statement of other comprehensive income represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act.

Apart from certain items that are carried at revalued and fair valued amounts, as explained in the accounting policies below, the financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern and presented in Tanzanian Shillings (TZS), rounded to the nearest thousand. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Directors to exercise judgement in the process of applying the accounting policies.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Basis of preparation (continued)

New and revised standards and interpretations which have been issued.

i) New and amended standards adopted by the Group and Company.

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
Amendment to IFRS 3, 'Business combinations'	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. No impact to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Basis of preparation (continued)

New and revised standards and interpretations which have been issued. (continued)

i) New and amended standards adopted by the Group and Company (continued)

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 April 2021 (early adoption is permitted) (Published March 2021)	The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
Amendments to IAS 16 'Property, Plant and Equipment': Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss. No impact to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Basis of preparation (continued)

New and revised standards and interpretations which have been issued. (continued)

i) New and amended standards adopted by the Group and Company (continued)

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts-Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Basis of preparation (continued)

New and revised standards and interpretations which have been issued. (continued)

i) New and amended standards adopted by the Group and Company (continued)

Annual improvements cycle 2018 -2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	These amendments include minor changes to: • IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. • IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. • IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. • IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value. No impact to the financials statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Basis of preparation (continued)

New and revised standards and interpretations which have been issued. (continued)

ii) New and amended standards issued but not yet effective

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17. (Published May 2017)	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Basis of preparation (continued)

New and revised standards and interpretations which have been issued. (continued)

ii) New and amended standards issued but not yet effective (continued)

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

The Group and company have not elected to adopt any of the above standards in advance of the effective date and therefore the same do not have any impact to the financial statements.

b) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Consolidation (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of subsidiaries is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiaries acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries.

Investments in subsidiary companies by the Group are carried at cost less provision for impairment.

If the group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest other components of equity, while any resultant gain or loss is recognised in the profit or loss. Any investment retained is recognised at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Translation of foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the Group and Company operates), which is Tanzanian Shillings. Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in profit or loss in the year in which they arise, except for differences arising on translation of non-monetary available-for-sale financial assets, which are recognised in other comprehensive income.

d) Revenue Recognition

Revenue is recognised as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Group and Company expects to receive in accordance with the terms of contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax, rebates and discounts.

i) Dividend income

Dividend income from investment is recognised when the shareholder's right to receive payment has been established.

ii) Interest income

Interest income from financial assets is recognised when it is probable that the economic benefit will flow to the Group and Company and the amount of income can be measured reliably. Interest income is accrued by reference to time in relation to the principal outstanding and the effective interest rate applicable.

iii) Miscellaneous Income

Miscellaneous income consists primarily of administration fees arising from services rendered in relation to the issue and management of deposit administration and investment contracts. Fees are recognised in the accounting period in which the services are rendered and are presented in the statement of profit or loss within 'other income'.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Property and equipment

All categories of property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and Company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit or loss in the year in which they are incurred.

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life as follows:

	RATE (%)
Motor vehicles	25
Furniture, fittings and office equipment	25

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than estimated recoverable amount. As no parts of items of furniture and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are considered in determining operating profit. On disposal of re-valued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f) Intangible assets

The Group and Company's intangible assets relate to computer software. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of four years. Development Costs that are directly associated with identifiable and unique software products that will generate economic benefits beyond one year, are recognised as intangible assets if:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell it are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditure that does not meet these criteria are recognised as an expense as incurred. Development costs that have been expensed are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding seven years). Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Intangible assets amortization starts when the asset becomes available for use. This is when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Leases

The Group and Company leases its office. Rental contracts are typically made for fixed periods of 2 years but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the Group and Company under residual value guarantees.
- the exercise price of a purchase option if the Group and Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) **Leases** (continued)

to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group and Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g., term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

Extension and termination options are included in the property lease contract. These terms are used to maximise operational flexibility in terms of managing contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments

The Group's financial assets are classified and measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification of the assets to the three categories is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

i. Classification of financial assets

Classification of financial assets at amortised cost

The Group measures a financial asset at amortised cost if both of the following conditions are met.

- The financial asset is held within the Group with an objective to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group holds the following assets at amortised costs: government securities portfolio, other receivables, deposits with financial institutions and cash and bank balances.

Classification of financial assets at fair value through other comprehensive income

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within the Group with an objective to both collect contractual cash flows and sell the financial asset; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Classification of financial assets at fair value through profit or loss

The Group measures financial assets at fair value through profit or loss unless as a financial asset is measured at amortised cost or at fair value through other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

(i) Classification of financial assets (continued)

However, the Company, may make an irrevocable election at initial recognition for particular investments in

equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Group may at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. A majority of the Group's financial liabilities are measured at fair value and hence the assets on a different bases creates an accounting mismatch.

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

Recognition and measurement of financial assets

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present unrealized and realized fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in profit or loss as long as they represent a return on investment. The Group is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

ii. Classification of financial liabilities

The Group classifies financial liabilities in two categories: at amortised cost and at fair value through profit or loss.

Classification of financial liabilities at amortised cost

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities that arise when a transfer of a financial asset does not qualify for recognition or when the continuing involvement approach applies.
- Financial guarantee contracts.
- Contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

The Group, at initial recognition irrevocably designates a financial liability as measured at fair value through profit or loss when doing so results in more relevant information, because either:

- It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

A group of financial liabilities or financial assets is managed and its performance i.e., evaluated on a fair value basis, in accordance with documented risk management or investment strategy, and information about the Company is provided internally on that basis to the entity's key management personnel.

Recognition and measurement of financial liabilities

Two measurement categories continue to exist: FVTPL and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

(ii) Classification of financial liabilities (continued)

IFRS 9 contains an option to designate a financial liability as measured at FVTPL if:

- doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases, or
- the liability is part or a group of financial liabilities or financial assets and financial liabilities that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

A financial liability which does not meet any of these criteria may still be designated as measured at FVTPL when it contains one or more embedded derivatives that sufficiently modify the cash flows of the liability and are not clearly closely related.

IFRS 9 requires gains and losses on financial liabilities designated as at FVTPL to be split into the amount of change in fair value attributable to changes in credit risk of the liability, presented in other comprehensive income, and the remaining amount presented in profit or loss. The new guidance allows the recognition of the full amount of change in the fair value in profit or loss only if the presentation of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. That determination is made at initial recognition and is not reassessed. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss, the Group may only transfer the cumulative gain or loss within equity.

iii. Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are not measured at Fair Value Through Profit or Loss (FVTPL):

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

- Government securities at amortized cost;
- Cash at bank;
- Deposits from financial institutions;
- Other receivables; and

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

The Group measures ECL on an individual basis, or on a collective basis for class of assets that share similar economic risk characteristics.

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

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forwardlooking information that is available without undue cost or effort. Forwardlooking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant thinktanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- The debt is for a third party that has no existing business relationship.
- The debtor is unlikely to pay its obligations to the Company in full.
- When there is a breach of financial covenants by the debtor; or

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the debtor is unlikely to pay its obligation, the Company take into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

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

(iv) Writeoff policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the debtor has ceased transacting with the Company, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) 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 forwardlooking information as described above.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forwardlooking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial 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 12month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (continued)

(iv) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right of set-off must be available today (e.g., not contingent on any future event) and be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency, or bankruptcy.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits with banking institutions and other short-term highly liquid investments in money market instruments with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and which are not encumbered, net of bank overdrafts.

j) Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the carrying value of the borrowings is recognised in profit or loss over the period of the borrowings.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) Employee benefits

(i) Retirement benefit obligations

The Group operates a defined contribution plan for its employees. A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The employees of the Company are members of National Social Security Fund (NSSF), which are defined contribution schemes. Contributions are determined by local statute and the Company's contributions are charged to the profit or loss in the year to which they relate. The company does not have any obligation to pay further contribution to the plan if the plan doesn't hold sufficient assets to pay benefits relating to employee services in the current or prior period.

(ii) Other entitlements

Employee entitlement to gratuity is recognised when they accrue to employee as per their contract. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the financial reporting date.

The estimated monetary liability for employees accrued annual leave entitlement at the financial reporting date is recognised as an expense accrual.

l) Dividends

Dividends on ordinary shares are recognized as a liability in the year in which they are declared. Dividends proposed by the directors are accounted for as a separate component of equity until they have been declared at an annual general meeting.

m) Share capital

Ordinary shares are recognized at par value and classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Income tax

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Income tax expense is recognised in the profit or loss except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

(i) Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Tanzanian Income Tax Act. The directors periodically evaluate positions taken in tax returns with aspects of situation in which the applicable tax regulations are subject to interpretations and establishes provisions where appropriate. Due to the nature of our business tax is captured on source through dividends and interest income and the same appears as our tax charge for the year.

(ii) Deferred income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Recognised and unrecognized deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The provisions are measured using the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.

p) Earnings per Share

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

q) Comparatives

Where necessary comparative figures have been adjusted to conform to changes of presentation in the current year.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant judgements made in applying the Company's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(i) Provisions

The recognition of provisions involves assumptions about the probability, amount and timing of an outflow of resources embodying economic benefits. A provision is recognized to the extent that an outflow of resources embodying economic benefits is probable and a reliable estimate can be made.

(ii) Investment property

The investment property is measured at fair value. The timing between the acquisition of the investment land and the year-end, was short and therefore considered an appropriate estimate of the fair value as at the year end. Should it come to the attention of management and the Group's directors in one way or other including as a result of subsequent revaluation, that the initially recorded asset is different from the market value at the reporting date, such differences will be adjusted through the statement of profit or loss and other comprehensive income in the period in which such differences are determined.

(iii) Impairment of financial assets

As explained in Note 2, ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics:

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to Note 2 for details of the characteristics considered in this judgment.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(iii) Impairment of financial assets (continued)

The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used:

The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key estimation

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

- Establishing the number and relative weightings of forward-looking scenarios for each type of market and determining the forward-looking information relevant to each scenario: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

- Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that are expected to be received, taking into account cash flows from collateral and integral credit enhancements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(iv) Leases

Assumptions used on lease term/period.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

- If there are significant penalties to terminate (or to extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The year 2022 being our first lease term which will end in May 2023 will be subject to extension upon a confirmation from the landlord. The extension will consider the lease term and the future expectation of holding the leased property. This can be revised if a significant event occurs, which affects the extension and is within the control of the lessee.

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK

(a) Financial risk

The Company is exposed to a range of financial risks through its financial assets and financial liabilities. The most important components of this financial risk are interest rate risk, equity price risk, currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Company primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the audit and risk committee, which is responsible for developing and monitoring Company risk management policies in their specified areas. All Board committees have non-executive members and report regularly to the Board of Directors on their activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit and Risk Committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit and Risk Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(a) Financial risk (continued)

(i) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counter party will cause a financial loss to the Company by failing to pay amounts in full when due. Credit risk is an important risk for the Company's business. Management therefore carefully manages the exposure to credit risk by:

- Developing and maintaining processes for measuring ECL including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL.
- Ensuring that the Company has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk accounting, assessment and measurement process that provide it with a strong basis for common systems, tools and data to assess credit risk and to account for ECL.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers. Such risks are monitored on a revolving basis and subject to annual or more frequent review. The exposure to any one borrower is further restricted by sub-limits. Actual exposures against limits are monitored regularly. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees. The credit quality of financial assets is assessed by reference to external credit ratings if available or internally generated information about counterparty default rates.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables. Key areas where the Company is exposed to credit risk are:

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(a) Financial risk (continued)

(i) Credit risk (continued)

Maximum exposure to credit risk held as at 31 December:

FINANCIAL ASSETS	12-MONTH OR LIFE-TIME ECL	2022	2021
		TZS'000	TZS'000
Investments in Government securities	Lifetime (Above 20 years)	**34,637,359**	15,400,196
Deposits with financial institutions	12 -month	**10,021,918**	-
Long term receivable *	Lifetime (24 -month)	**2,100,000**	-
Staff loans and other receivables	12 -month	**34,259**	256,094
Other receivables (TMCL)	12 -month	**679,224**	-
Cash and cash equivalent**	12 -month	**11,674,662**	636,374
		59,147,422	16,292,664

* Nicoland Development Company Limited receivable; amount due from Nicoland Development Company Limited in respect of two years at 12.5% interest term loan with grace period of six (6) months. The amount above is a summation of the long term receivable in note 29 and the portion classified as current in note 19.

Nicoland is a subsidiary of National Investments PLC and the loan provided to Nicoland is secured by a collateral (title deed) of the land acquired by Nicoland Development Company Limited. This does not, however, discharge the Company's liability as a lender. If Nicoland Development Company Limited fails to pay a principal or interest for any reason, the Company remains liable for the whole amount. The creditworthiness of Nicoland Development Company Limited is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

** The amount for cash and cash equivalent above excludes cash on hand.

Significant increase in credit risk

As explained in Note 2, the Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(b) Financial risk (continued)

(i) Credit risk (continued)

Significant increase in credit risk (continued)

ASSET CLASS	DRIVERS OF CHANGE IN CREDIT QUALITY	QUALITATIVE INDICATORS ASSESSED
Receivables arising from Nicoland	30 days past due	Company closure, significant decline in the industry which the client operates, listing on credit reference bureau, inability to service debt, loss of income, among others.
Cash at bank and deposits with financial institutions	Downgrade to tie four	Bank closure, bank run, default on debt, credit rating downgrade, material adverse mention or investigation, change in bank tier, negative change in debt ratios, debt covenant breach, regulator actions among others.
Government Securities	Downgrade from investment grade to non-investment grade as per the external ratings	Credit rating downgrade, adverse political instability, military coup / attempt / civil turmoil, hyper inflationary trajectory, external war, Significant fall in tax collection rates, Significant natural disaster events, warnings from Bretton Woods Institutions, debt restructure, currency devaluation, unemployment rate growth among others.
Corporate Debt	Default in contractual cash flows	Credit rating downgrades, significant adverse political turmoil in country of major operations, significant fall in revenue collection, significant natural disaster events, debt restructure, material Adverse change (change in business model; significant change in priority staff), significant court process interference on business model, insolvency, government agency takeover, financial covenant breach, material representation inaccuracy or warranty breach, material adverse mention, investigation among others.
Equities - Dividend Income	Default in contractual cash flows	Company closure, default on debt, credit rating downgrade, adverse material mention, change in balance sheet debt composition, debt covenant breach, adverse change in business model, company insolvency among others.
Staff/ non staff loans	Default in contractual cash flows	Listing on credit reference bureau, inability to service debt, loss of income, death, permanent disability, imprisonment, number of months in arrears among others.

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(b) Financial risk (continued)

(i) Credit risk (continued)

Significant increase in credit risk (continued)

The Company has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that a significant increase in credit risk is identified before the exposure is defaulted. The Company performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

Incorporation of forward-looking information

The Company uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Company uses external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Company applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome.

Company's receivables aging

Company's aging of trade and other receivables for the year ended 2022 is as below.

DETAILS	AMOUNT	1-30 DAYS	30-90 DAYS	91-180 DAYS	181-365 DAYS	ABOVE 365 DAYS
Staff loans	29,259	4,865	9,731	10,336	4,327	-
Swahili Fashion	5,000	-	-	5,000	-	-
Nico Land	565,753	-	-	565,753	-	1,534,247
TMCL	679,224	-	-	-	679,224	-
Total	**1,279,236**	**4,865**	**9,731**	**581,089**	**683,551**	**1,534,247**

Company's aging of trade and other receivables for the year ended 2021 is as below.

DETAILS	AMOUNT	1-30 DAYS	30-90 DAYS	91-180 DAYS	181-365 DAYS	ABOVE 365 DAYS
Staff loans	85,926	4,848	9,531	14,296	28,592	28,659
Twiga Feeds	86,149	-	35,400	35,400	-	15,349
Total	**172,075**	**4,848**	**44,931**	**49,696**	**28,592**	**44,008**

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(b) Financial risk (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

All liquidity policies and procedures are subject to review and approval by the Company's board of directors.

Maturity profile of non-derivative financial liabilities based on the contractual cash flows, "undiscounted" including interest and excluding impact of netting is as follows:

The table below shows the contractual maturity of financial liabilities:

2022	TOTAL	1 - 3 MONTHS	3 - 12 MONTHS	1 - 5 YEARS
	TZS'000	TZS'000	TZS'000	TZS'000
Lease liabilities	7,126	-	7,126	-
Borrowings	30,681,183	1,458,782	4,051,870	25,170,531
Trade and other payables	151,988	151,988	-	-
Dividend payable	1,182,463	-	1,182,463	-
	32,022,760	**1,610,770**	**5,241,459**	**25,170,531**

2021	TOTAL	1-3 MONTHS	3 - 12 MONTHS	1 - 5 YEARS
	TZS'000	TZS'000	TZS'000	TZS'000
Lease liabilities	73,637	-	41,815	31,822
Trade and other payables	219,304	219,304	-	-
Dividend payable	1,063,790	-		-
	1,356,731	219,304		31,822

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(b) Financial risk (continued)

(iii) Market risks

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial

instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimising net interest income, given market interest rates levels consistent with the Company's business strategies.

The table below summarises the contractual maturity periods and interest rate profile of the Company's financial instruments:

2022	DUE WITHIN 12 MONTHS	DUE BETWEEN 1 AND 25 YEARS	NON-INTEREST BEARING	TOTAL
	TZS'000	TZS'000	TZS'000	TZS'000
Assets				
Investments in Government securities	-	34,637,359	-	34,637,359
Equity investments	-	-	66,464,348	66,464,348
Deposits with financial Institutions	10,021,918	-	-	10,021,918
Other receivables	-	2,100,000	713,483	2,813,483
Cash and bank balances*	11,674,552	-	668	11,675,220
	21,696,470	**36,737,359**	**67,178,499**	**125,612,328**
Liabilities				
Lease liabilities	6,025	-	-	6,025
Borrowings	3,085,714	18,514,286	-	21,600,000
Trade and other payables	151,988	-	-	151,988
Dividend payable	1,182,463	-	-	1,182,463
	4,426,190	**18,514,286**	**-**	**22,940,476**
Interest rate gap	**17,270,280**	**18,223,073**	**-**	**35,493,353**

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(b) Financial risk (continued)

(iii) Market risks (continued)

Interest rate risk (continued)

2021	DUE WITHIN 12 MONTHS	DUE BETWEEN 1 AND 25 YEARS	NON-INTEREST BEARING	TOTAL
	TZS'000	TZS'000	TZS'000	TZS'000
Assets				
Investments in Government securities	-	15,400,196	-	15,400,196
Equity investments	-	-	57,123,378	57,123,378
Other receivables	-	-	175,415	175,415
Cash and cash equivalent	600,000	-	36,834	636,834
	600,000	15,400,196	57,335,627	73,335,823
Liabilities				
Lease liabilities	41,815	31,822	-	73,637
Trade and other payables	219,304	-	-	684,434
Dividend payable	1,063,790	-	-	1,063,790
	1,324,909	31,822	-	1,821,861
Interest rate gap	(724,909)	15,368,374	-	14,643,465

At 31 December 2022 if interest rates of functional currency denominated assets and liabilities had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been 21 million (2021: 4 million) lower/higher, mainly as a result of fluctuations in interest income and interest expense.

Foreign currency risk

The Company is exposed to currency risk on settlement of investments that are denominated in a currency other than the respective functional currency of the Company, the Tanzanian Shillings (TZS). The Company's strategy towards managing its foreign currency exposure is through transacting mainly using its functional currency.

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments; disclosure around market risk also relates to sensitivity analysis of the type of market risk, showing how the income profit or loss and equity would have been affected by reasonably possible changes in the relevant risk variable at the yearend date.

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(b) Financial risk (continued)

(iii) Market risks (continued)

Foreign currency risk (continued)

The Company's exposure to foreign currency risk was as follows based on notional amounts in US dollars:

	2022 TZS'000	2021 TZS'000
Bank balances	**2,370,651**	703
Payables	**(7,928)**	(597,792)
	2,362,723	(597,089)

A sensitivity analysis in relation to net exposure for a 10% strengthening of the USD against TZS

Increase/(decrease) in equity and profit or loss	**236,272**	(59,709))

(iv) Price risk

The Company has equity investments classified at fair value through other comprehensive income. If the respective prices for the equity investments increase or decrease by 10%, the pre-tax impact would be TZS 6.65 billion in 2022 (2021: TZS 5.7 billion)

(v) Capital management

The company's objectives when managing its capital are to comply with the rules and regulations of the Capital Markets and Securities Authority, the Companies Act and Tanzania Regulatory Authority; safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; provide an adequate return to shareholders by investing in different investment portfolios commensurately with the level of risk; and to maintain a strong capital base to support the development of its business. The Company's gearing ratio is as shown below

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(b) Financial risk (continued)

(v) Capital management (continued))

	2022 TZS'000	2021 TZS'000
Leases	**6,025**	73,637
Borrowings	**21,600,000**	-
Total borrowings	**21,606,025**	73,637
Cash and cash equivalents	**(11,675,220)**	(636,834)
Net borrowings	**9,930,805**	-
Equity	**104,036,724**	73,033,209
Total Capital	**94,105,919**	73,033,209
Gearing ratio	**11%**	-

(c) Accounting classification and fair values

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(c) Accounting classification and fair values (continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. For government securities classified as level 2; the prices of bonds with similar maturity is applied for fair value estimation.

There were no transfers between level 1 and level 2 of fair value hierarchy during the year

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(c) Accounting classification and fair values (continued)

	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	AMORTIZED COST	OTHER FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
2022	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Financial assets measured at fair value							
Equity investments	66,464,348	-	-	66,464,348	66,464,348	-	-
Investments in Government securities	-	34,637,359	-	34,637,359	-	34,637,359	-
Deposits with financial institutions	-	10,021,918	-	10,021,918	-	-	10,021,918
Other receivables	-	34,259	-	34,259	-	-	34,259
Cash and cash equivalents	-	11,675,220	-	11,675,220	-	-	11,675,220
	66,464,348	**56,368,756**	**-**	**122,833,104**	**66,464,348**	**34,637,359**	**21,731,397**
Lease liabilities	-	-	6,025	6,025	-	-	6,025
Borrowings	-	-	21,600,000	21,600,000	-	-	21,600,000
Trade and other payables	-	-	151,988	151,988	-	-	151,988
Dividend payable	-	-	1,182,463	1,182,463	-	-	1,182,463
	-	-	**22,940,476**	**22,940,476**	-	**-**	**22,940,476**

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(c) Accounting classification and fair values (continued)

	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	AMORTIZED COST	OTHER FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL	LEVEL 1	LEVEL 2	Level 3
2021	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**
Financial assets measured at fair value							
Equity investments	57,123,377	-	-	57,123,377	57,123,377	-	-
Investments in Government securities	-	15,400,000	-	15,400,000	-	15,400,000	-
Other receivables	-	175,415	-	175,415	-	-	175,415
Cash and cash equivalents	-	636,834	-	636,834	-	-	636,834
	57,123,377	16,212,249	-	73,335,626	57,123,377	15,400,000	812,249
Lease liabilities	-	-	73,637	73,637	-	-	73,637
Trade and other payables	-	-	219,304	219,304	-	-	219,304
Dividend payable	-	-	1,063,790	1,063,790	-	-	1,063,790
	-	-	1,356,731	1,356,731	-	-	1,356,731

4. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (cont'd)

(e) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments not measured at fair value

TYPE	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS
Government Securities (Bonds)	Market Comparison technique: The fair value is based on market prices. If this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.	Not applicable

There were no transfers into or out of any levels during the year.

(f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as operating board that makes strategic decisions. In the year ended 31 December 2022, the Company and its subsidiary were considered as one segment and all operating decisions were exercised by same management.

5. INVESTMENT IN SUBSIDIARY

(a) Composition of the Group

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

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

STATEMENT OF FINANCIAL POSITION	2022 TZS '000
Equity	
Share capital	25
Retained earnings	(71,247)
Equity attributable to owners of the company	(71,222)
Non-current liabilities	
Borrowings	2,100,000
	2,100,000
	2,028,778
REPRESENTED BY	
Non-current assets	
Investment property	1,754,294
	1,754,294
Current assets	
Trade and other receivables	25
Cash and cash equivalents	274,460
Net current liabilities	274,484
	2,028,778

5. INVESTMENT IN SUBSIDIARY (cont'd)

(a) Composition of the Group (continued)

STATEMENT OF PROFIT OR LOSS	2022 TZS '000
Revenue	-
Net income	-
Administrative expenses	(71,246)
Operating profit	(71,246)
Finance costs	-
Profit before taxation	(71,247)
Tax charge	-
Profit for the year	(71,247)
STATEMENT OF CASHFLOWS	
Net cash from operating activities	(71,222)
Net cash used in investing activities	(1,754,294)
Net cash from (used in) financing activities	2,100,000
Net cash inflow	274,484

6. INVESTMENT INCOME

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
6 (a) Interest income recognised at EIR		
Interest on treasury bonds	2,859,920	1,289,477
Interest on fixed deposit	144,732	46,033
Interest on bank balance	15,308	-
Total Interest income	3,019,960	1,335,510
6 (b) Dividend income	5,322,391	4,354,438
Total investment income	8,342,351	5,689,948

7. OTHER INCOME

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Release of over-provision (Note 31)	180,587	-
	218,381	-

8. ADMINISTRATIVE EXPENSES

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Staff costs	656,720	656,720	416,814
Annual general meeting	554,808	554,808	120,591
Legal expenses	203,197	203,197	118,730
Secretarial expenses	36,774	36,774	32,400
Director's fees	104,240	104,240	64,700
Director's expenses	74,618	74,618	42,977
Board expenses	139,147	128,342	118,288
Dividend processing fees	49,735	49,735	46,755
Auditor's remuneration	43,660	43,660	23,280
Other administrative expenses	232,540	172,099	338,698
	2,095,439	2,024,193	1,323,233

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Staff cost comprises of;		
Salaries and wages	485,008	300,835
NSSF Contribution	48,293	29,592
Gratuity	45,250	31,500
Recruitment expenses	46,673	29,817
Other staff costs	31,496	25,070
	656,720	416,814

9 OTHER OPERATING EXPENSES

	GROUP &COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Office rent (Service charge)	8,759	44,120
Security expenses	4,800	8,000
Electricity and water	-	2,210
Licenses and subscriptions	35,562	48,577
Repairs and maintenance	6,152	5,326
Depreciation of right of use assets	67,875	39,442
Depreciation property, plant and equipment	35,497	32,119
Provision for impairment	22,290	76,700
	180,935	256,494

10 FINANCE COSTS

Interest expense on lease liability	11,221	11,242
Loan processing fees	76,464	-
	87,685	11,242

11. INCOME TAX EXPENSE

a) Current tax expense

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Final withholding tax on dividends earned	266,120	217,722
Final withholding tax on interest earned	11,224	4,270
	277,344	221,992

11. INCOME TAX EXPENSE (Cont'd)

b) Reconciliation of tax based on accounting loss to income tax expense

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Profit before income tax	**6,267,919**	4,098,978
Tax expense calculated at a tax rate of 30%	**1,880,376**	1,229,693
Tax effect of:		
Tax effect of income not subject to tax	**(1,880,376)**	(1,229,693)
Effect of final tax on dividend income	**266,120**	217,722
Effect of final tax on fixed deposit interest income	**11,224**	4,270
Income tax expense	**277,344**	221,992

The charge equals to the tax pad during the year. The income on government bonds is exempt for income tax purposes.

The tax affairs of the Company are subject to agreement with the Tanzania Revenue Authority (TRA).

12 DIVIDEND PAYABLE

	GROUP &COM-PANY 2022	COMPANY 2021
	TZS'000	TZS'000
Balance brought forward	**1,063,790**	729,531
Dividends declared during the year	**1,232,697**	1,047,962
Paid during the year	**(1,114,024)**	(713,703)
	1,182,463	1,063,790

12. DIVIDEND PAYABLE (cont'd)

During the year, the Directors recommended the payment of a final dividend of TZS 20 per share amounting to TZS 1,232,696,680 out of the profits for the year 2021. In 2021 an interim dividend of TZS 17 per share amounting to TZS 1,047,792,178 was declared. The Board recommended payment of final dividends so that the way forward will be declaring final dividends.

Payment of dividends is subject to withholding tax at the rate of 5%.

13. SHARE CAPITAL

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Authorised		
1,600,000,000 (2021: 1,600,000,000) ordinary shares of TZS 125 each	**200,000,000**	200,000,000
Issued and fully paid:		
61,634,834 (2021: 61,644,834) ordinary shares of TZS 125 each	**7,704,354**	7,705,604

National Investments PLC re-listed its shares at the Dar Es Salaam Stock Exchange in the year 2018, however during re-listing the Company had been undertaking reconciliation of its issued shares. As of 31st December 2022, total sum of 61,634,834 shares had been confirmed to have been legitimate issued and paid. The amount recorded as issued share capital in the year 2021 has been adjusted and difference re-classified against share premium.

14. SHARE PREMIUM

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Balance brought forward	**1,587,385**	647,342
Adjustment	**1,250**	940,043
	1,588,635	1,587,385

15. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Profit attributable to equity holders	**5,919,329**	**5,990,575**	3,876,986
Weighted average number of ordinary shares	**61,634,834**	**61,634,834**	61,644,834
Earnings per share	**96.04**	**97.19**	62.89

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares with dilutive potential ordinary shares due to options/convertible securities.

Diluted earnings/(loss) per share is calculated by dividing the profits/(loss) attributable to equity holders of the company by the adjusted weighted average number of dilutive potential ordinary shares in issue during the year.

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Profit attributable to equity holders	**5,919,329**	**5,990,575**	3,876,986
Weighted average number of ordinary shares	**61,634,834**	**61,634,834**	61,644,834
Earnings per share	**96.04**	**97.19**	62.89

16. LEASE LIABILITIES

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Non-current	**-**	31,822
Current	**6,025**	41,815
	6,025	73,637

The total cash outflow for leases in the year was:		
Payments of principal portion of the lease liability	**78,834**	61,592
Interest paid on lease liabilities	**11,221**	11,242
	90,055	72,834
Reconciliation of lease liabilities arising from financing activities		
At start of the year	**73,637**	-
Interest charged to profit or loss (Note 10)	**11,221**	11,242
Cashflow:		
- Financing activities (interest paid)	**(11,221)**	(11,242)
- Amounts financed through leases	**11,221**	135,229
- Payments under leases	**(78,833)**	(61,592)
At end of year	**6,025**	73,637

16. LEASE LIABILITIES (cont'd)

The lease liabilities are unsecured and subject to review at various dates.

The exposure of the Company's leases interest rate changes and the contractual repricing dates at the reporting date are as follows:

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
6-12 months	6,025	41,815
1-5 years	-	31,822
	6,025	73,637
	%	%
Weighted average effective interest rates at the reporting date was:	16	16

The carrying amounts of the company's lease liabilities are denominated in the United States Dollar.

Maturity based on the repayment structure of lease liabilities is as follows:

Gross lease liabilities – minimum lease payments

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Not later than 1 year	7,309	52,970
Later than 1 year and not later than 5 years	-	33,106
Total gross leases	7,309	86,076
Future interest expense on leases liabilities	(1,284)	(12,439)
Present value of lease liabilities	6,025	73,637
Present value of lease liabilities		
Not later than 1 year	6,025	41,815
Later than 1 year and not later than 5 years	-	31,822
	6,025	73,637

17(a) CAPITAL WORK IN PROGRESS

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
At start of year	**1,632,000**	1,600,000
Additions	**229,864**	32,000
Net book value	**1,861,864**	1,632,000

17(b) PROPERTY AND EQUIPMENT

Group

YEAR ENDED 31 DECEMBER 2022	MOTOR VEHICLES	OFFICE EQUIPMENT, FURNITURE& FITTINGS	TOTAL
	TZS'000	TZS'000	TZS'000
Cost			
At start of year	26,670	188,136	214,806
Additions	-	34,548	34,548
At end of year	26,670	222,684	249,354
Depreciation			
Charge from the previous year	26,670	125,163	151,833
Charge for the year	-	35,497	35,497
At end of year	26,670	160,660	187,330
Net book value	**-**	**62,024**	**62,024**
Year ended 31 December 2021			
Cost			
At start of year	26,670	151,507	178,177
Additions	-	36,629	36,629
At end of year	26,670	188,136	214,806
Depreciation			
Charge from the previous year	26,670	93,044	119,714
Charge for the year	-	32,119	32,119
At end year	26,670	125,163	151,833
Net book value	**-**	**62,972**	**62,972**

In 2018, the Company purchased a semi-finished building located at Msasani peninsula plot No 818 for a purchase price of Tanzania Shillings One Billion and Six Hundred Million (TZS 1,600,000,000) to be used as corporate office and commercial building once completed. The balance of the purchase price of TZS 1,008,332,000 was fully paid in 2020. In the year 2022 the Company has engaged a consultant who has conducted a prequalification exercise to get a contractor who will be awarded a tender to do the construction.

17. (b) PROPERTY AND EQUIPMENT (cont'd)

Company

Year ended 31 December 2022	MOTOR VEHICLES	OFFICE EQUIPMENT, FURNITURE& FITTINGS	TOTAL
	TZS'000	TZS'000	TZS'000
Cost			
At start of year	26,670	188,136	214,806
Additions	-	34,548	34,548
At end of year	26,670	222,684	249,354
Depreciation			
Charge from the previous year	26,670	125,163	151,833
Charge for the year	-	35,497	35,497
At end of year	26,670	160,660	187,330
Net book value	**-**	**62,024**	**62,024**
Year ended 31 December 2021			
Cost			
At start of year	26,670	151,507	178,177
Additions	-	36,629	36,629
At end of year	26,670	188,136	214,806
Depreciation			
Charge from the previous year	26,670	93,044	119,714
Charge for the year	-	32,119	32,119
At end year	26,670	125,163	151,833
Net book value	**-**	**62,972**	**62,972**

In 2018, the Company purchased a semi-finished building located at Msasani peninsula plot No 818 for a purchase price of Tanzania Shillings One Billion and Six Hundred Million (TZS 1,600,000,000) to be used as corporate office and commercial building once completed. The balance of the purchase price of TZS 1,008,332,000 was fully paid in 2020. In the year 2022 the Company has engaged a consultant who has conducted a prequalification exercise to get a contractor who will be awarded a tender to do the construction.

18. RIGHT-OF-USE ASSETS

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Year ended 31 December 2022		
At 1 January 2022	**95,787**	-
Additions	**-**	135,229
Amortisation charge	**(67,876)**	(39,442)
At 31 December 2022	**27,912**	95,787

19. TRADE AND OTHER RECEIVABLES

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Other receivables	**34,259**	**34,259**	256,094
Receivable from Nico land (current portion)	**-**	**565,753**	-
Receivable from TMCL	**679,224**	**679,224**	-
Net trade and other receivables	**713,483**	**1,279,236**	256,094
Prepayments	**30,422**	**30,422**	3,341
	743,905	**1,309,658**	259,435

Following the take-over of Tanzania Meat Company Limited (TMCL) by the Government on 27 December 2019 and subsequent decision to wind up TMCL, 100% of the TMCL receivable was impaired in 2020. However, after thoroughly follow-up the Ministry of Livestock and Fisheries signed share transfer agreement and payment commitment for the sum of TZS 679 million. TZS 679 million has been written back from initial provision of TZS 1.3 billion.

20. CASH AND CASH EQUIVALENTS

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Cash in hand	668	668	460
Cash at bank	11,949,012	11,674,552	36,374
Short-term bank deposit	-	-	600,000
At 31 December	11,949,680	11,675,220	636,834

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following:

Cash at bank and in hand	11,949,680	11,675,220	636,834

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Tanzanian Shilling	9,579,029	9,304,569	636,132
United States Dollar	2,370,651	2,370,651	703
	11,949,680	11,675,220	636,834

21. TRADE AND OTHER PAYABLES

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Other payables	55,785	55,810	116,522
Accruals	90,241	90,241	73,436
Payables to related parties	15,072	15,072	61,182
	161,098	161,123	251,140

Other payables are made up of various unpaid service providers who made different services to the Company as of 31 December 2022.

Accruals includes auditor's renumeration and CEO's gratuity arrears.

22. CASH FROM OPERATIONS

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Profit before tax	**6,196,673**	**6,267,919**	4,098,978
Adjustments for:			
Depreciation on investment property, property and equipment (Note 17)	**35,497**	**35,497**	32,119
Depreciation on right of use (Note 18)	**67,875**	**67,875**	39,442
Interest on lease liability (Note 16)	**11,221**	**11,221**	11,242
Interest on fixed deposit	**(144,732)**	**(144,732)**	(46,033)
Interest on bank balance	**(15,308)**	**(15,308)**	-
Interest income from treasury bonds	**(2,859,920)**	**(2,859,920)**	(1,289,477)
Loan processing fee (Note 10)	**76,464**	**76,464**	-
Release of overprovision	**(180,587)**	**(180,587)**	-
Changes in working capital			
- trade and other receivables	**(484,470)**	**(1,050,223)**	(850,693)
- trade and other payables	**(90,042)**	**(90,017)**	40,513
- long-term receivable	**-**	**(1,534,247)**	-
Cash from operations	**2,612,671**	**583,942**	2,036,091

23. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Compensation to key management personnel

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

23. RELATED PARTY TRANSACTIONS (cont'd)

Compensation to key management personnel (continued)

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

a) Director's renumeration

Renumeration paid to directors during the year was as follows:

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Director's fees	104,240	104,240	64,700
Director's expenses	74,618	74,618	42,977
Board expenses	139,147	128,342	118,288
	318,005	307,200	225,965

(b) Key management personnel

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Salaries and allowances	396,925	300,835
Gratuity (CEO)	45,250	31,500
Payment to former CEO for appearance as expert witness	-	7,684
	442,175	340,019

23. RELATED PARTY TRANSACTIONS (cont'd)

(c) Receivables from related party

	GROUP 2022	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000	TZS'000
Nicoland Development Company Limited – subsidiaryl	-	2,100,000	-
Tanzania Meat Company Limited – associate	679,224	679,224	-
Advance receivable from CEO – key management personnel	16,334	16,334	44,334
	695,558	2,795,558	44,334

(d) Payables from related party

	GROUP & COMPANY	
	2022	2021
	TZS'000	TZS'000
BM Attorneys (Legal fees) *	15,072	61,182
Gratuity arrears (CEO) – key management personnel	43,607	24,357
	58,679	85,539

* BM Attorneys (Company Lawyer) is controlled by the Company Secretary.

(e) Payments made to BM Attorneys and Company Secretary

	GROUP & COMPANY	
	2022	2021
Legal fees	203,197	118,730
Secretarial fees	36,774	32,400
	239,971	151,130

BM Attorneys (Company Lawyer) is controlled by the Company Secretary.

24. EQUITY INVESTMENT AT FVOCI

	GROUP & COMPANY	
	2022	2021
	TZS'000	TZS'000
At start of the year	**57,123,378**	80,997,056
Cost of 6,054,390 NMB shares sold (2021: 6,600,000)	**(696,187)**	(950,400)
Cumulative carrying fair value gain on the disposed shares	**(16,438,744)**	(14,493,600)
Current year FV revaluation gain/(loss)	**26,475,901**	(8,429,678)
At 31 December	**66,464,348**	57,123,378

The equity investments designated as held at fair value through other comprehensive income (FVOCI) relate to the following investments in securities quoted and traded on the Dar es Salaam Stock Exchange PLC (DSE). The market prices of these securities are available to the public.

	% Interest held		GROUP & COMPANY 2022	COMPANY 2021
			TZS'000	**TZS'000**
	2021	**2022**		
NMB Shares	6.6	4.1	**61,593,293**	52,899,040
Tanzania Breweries Limited	1.87	0.04	**1,396,617**	1,396,617
Simba Cement Shares	0.06	0.06	**44,341**	44,342
CRDB Shares	0.01	0.01	**113,341**	80,343
Swissport Plc Shares	0.01	0.01	**4,435**	3,360
TCC Shares	0.01	0.01	**130,560**	130,560
Twiga Cement Shares	0.03	0.03	**225,848**	207,536
DSE Shares	6.35	6.35	**2,185,913**	1,671,580
Vodacom	0.14	0.04	**770,000**	690,000
			66,464,348	57,123,378

25. INVESTMENT IN SUBSIDIARY

	COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Nico Land Development Company Limited	**25**	-

26. GOVERNMENT SECURITIES HELD AT AMORTIZED COST

	GROUP &COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Treasury bonds		
Maturing 30 July 2040	**1,106,899**	1,093,450
Maturing 21 May 2040	**1,415,929**	1,415,426
Maturing 11 February 2041	**3,636,261**	3,635,434
Maturing 20 May 2041	**2,073,796**	2,073,048
Maturing 8 July 2041	**3,827,794**	3,827,072
Maturing 23 June 2042	**2,307,625**	-
Maturing 28 July 2042	**996,324**	-
Maturing 29 September 2042	**7,195,732**	-
Maturing 24 November 2042	**2,000,785**	-
Maturing 22 April 2046	**1,751,587**	1,750,989
Maturing 5 August 2046	**1,605,166**	1,604,777
Maturing 8 July 2047	**1,596,861**	-
Maturing 20 October 2047	**5,122,600**	-
	34,637,359	15,400,196

Treasury Bonds are securities issued by the Government of the United Republic of Tanzania. During the year 2022, the Company purchased Treasury Bonds for 20 years and 25 years with a face value of TZS 12,200,590,000 and TZS 6,502,500,000 respectively. The interest of the treasury bonds purchased was 12.1% and 12.56% for 20 years and 25 years respectively. The maturity analysis of the treasury bonds is as stated above.

27. LOSS ON DISPOSAL OF EQUITY INVESTMENTS

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Original cost of NMB shares sold	(696,187)	(950,400)
Cumulative carrying fair value gain on shares disposed	(16,438,744)	(14,493,600)
Proceeds from disposal of equity investments	16,904,667	11,220,000
Loss on disposal	(230,264)	(4,224,000)

During the year the Company disposed 6,054,390 NMB shares (2021: 6,600,000 NMB shares) and invested on treasury bonds.

28. BORROWINGS

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Current	3,085,714	-
Non-current	18,514,286	-
Total borrowings	21,600,000	-

During the year National Investments Plc obtained a long-term loan facility issued by the Diamond Trust Bank Ltd (DTB) of TZS 21.6 billion for a tenure of seven (7) years at the interest rate of 11.5% per annum. Loan is secured against Treasury Bonds. The objective of the loan is to reinvest in a viable venture opportunity in the investment portfolio in line with investment strategies.

29. LONG-TERM RECEIVABLE

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Nicoland Development Company Limited (2-3 years)	1,534,247	-
Total	1,534,247	-

29. LONG-TERM RECEIVABLE (cont'd)

Based on improving shareholders value and portfolio diversification, the Board approved long term loan facility of TZS 3 billion on 27th August 2022 in financing investment opportunities to purchase land and resale. The tenure of the loan is 36 months at the interest rate of 12.5% per annum. Nicoland Development Company Limited is a subsidiary of National Investments PLC with 99% share ownership, the Company was established to conduct businesses of real estate by investing in commercial properties, students' hostels, buy, develop and sale subdivided surveyed plots, establishment of shopping malls through joint ventures. Nicoland was established in line with National Investments PLC's portfolio diversification strategies of increasing shareholders value. For the year ended 31 December 2022 a total of TZS 2.1 billion was disbursed to Nicoland Development Company Limited. Out of the disbursed amount, TZS 1.534 billion forms part of a non-current receivable and TZS 566 million forms part of a current receivable. The loan was disbursed in September 2022 and a grace period of 6 months was given. The loan will start to accrue interest effectively in April 2023.

30. INVESTMENT PROPERTY

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Investment property – land	**1,754,294**	-
Total	**1,754,294**	-

In 2022 Nicoland Development Company Limited (subsidiary of National Investments PLC) purchased a real estate land of 57 acres at Plot 450 Block A, Kigamboni for resale of subdivided plots. This transaction was made close to year end and the cost was assessed to reflect fair value at the year end.

31. PROVISIONS

At start of the year	**788,827**	788,826
Over-provision writeback (Note 7)	**(180,587)**	-
	608,240	788,826

The provision relates to pending court case.

32. DEPOSITS WITH FINANCIAL INSTITUTIONS

	GROUP & COMPANY 2022	COMPANY 2021
	TZS'000	TZS'000
Deposits with financial institutions	10,021,918	-
	10,021,918	-

This relates to a six months fixed deposit of TZS 10 billion with DTB Bank at a contractual interest of 8%. The deposit was placed on 22 December 2022 and is expected to mature on 22 June 2023.

33. NET DEBT RECONCILIATION

The Group and company's net debt comprises of leases and borrowings. The net debt reconciliation is as presented in note 16 and 28 for leases and borrowings respectively

34. CONTINGENT LIABILITIES

The Company is defending several legal suits of which liability is not admitted. Whilst considered to have a strong position, the Company may incur claims if defence against the actions is unsuccessful and therefore management has assessed the same in line with the International Accounting Standards 37, and recorded provision were deemed appropriate. The Directors do not expect the outcome of the actions to have a material effect on the Company's financial statements. Further, there are no pending tax matters for the period ended 31 December 2022.

35. EVENTS AFTER THE REPORTING DATE

There are no events or otherwise matters occurring subsequent to year end requiring disclosure and/or adjustment to these financial statements

NOTES

TACKLING THE GLOBAL CHALLENGE OF CLIMATE CHANGE

ON 14TH JULY 2023, WE PARTICIPATED IN THE CARBON CREDIT JOINT MEETING HELD IN DAR ES SALAAM WHICH AMONG OTHERS, PRIVATE SECTORS WERE REMINDED TO INCLUDE ENVIRONMENT AGENDA IN THE CORPORATE POLICY CULTURE.

NICOL

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