



ANNUAL REPORT **TAARIFA YA MWAKA**

2018



The Economic Shield Of The Nation

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DIVIDENDS INCOME

TZS 2,538,906,000

DIVIDENDS TO OTHER SHAREHOLDERS

TZS 925,854,454

36%

DIVIDENDS TO THE GOVERNMENT INSTITUTIONS

TZS 340,025,670

13%

TAX PAYMENTS TO THE GOVERNMENT

TZS 281,503,554

11%



TZS 77.3 Billion
6.6% Ownership



TZS 4.7 Billion
5% Ownership



TZS 1.8 Billion
6.35% Ownership

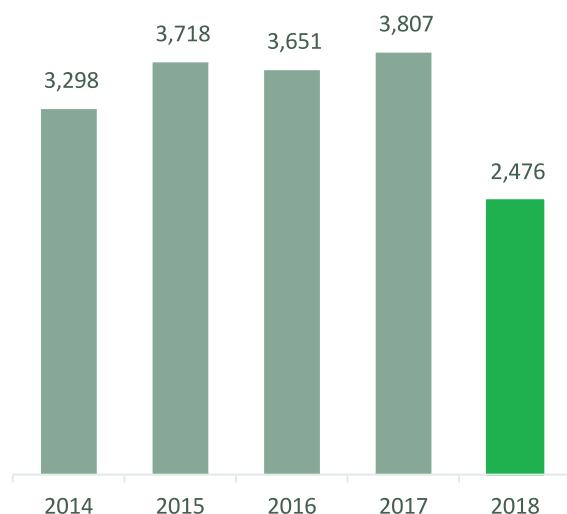


TZS 0.8 Billion
2% Ownership

Company	% interest held	2018 TZS '000	2017 TZS '000
NMB Bank Plc	6.6	77,335,877	90,886,180
Tanzania Breweries Limited	0.12	4,667,349	5,065,340
Tanga Cement Plc	0.06	25,798	48,372
CRDB Bank Plc	0	43,041	45,910
Swissport Plc	0.01	8,938	11,760
TCC Shares	0.01	130,560	129,024
TPC Plc	0.03	125,742	89,118
DSE Shares	0.35	1,800,163	1,440,131
Vodacom Plc		800,000	850,000
		84,937,469	98,565,835

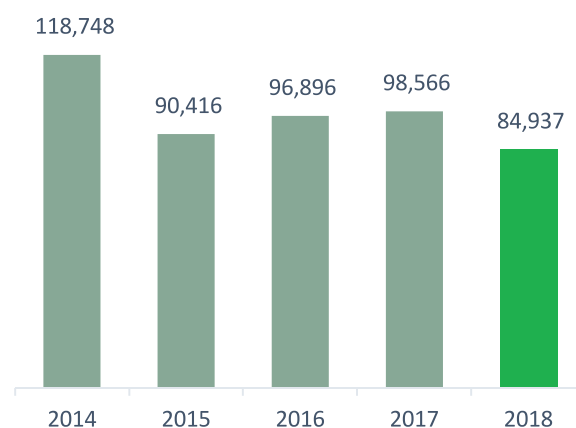
Investments Income

TZS Million

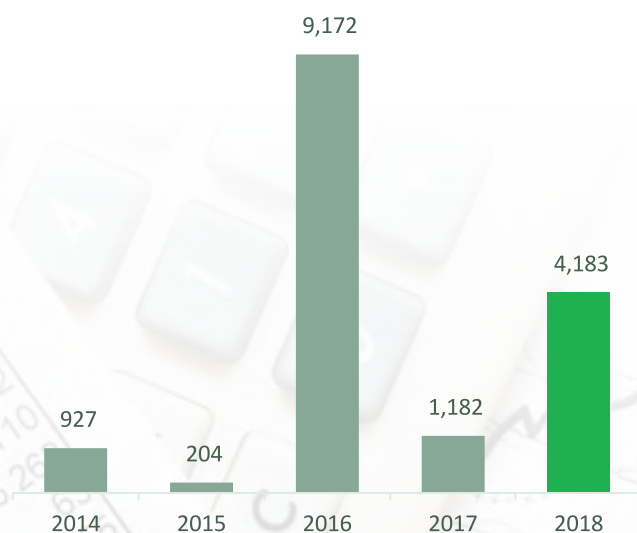


Investments Security

TZS Million

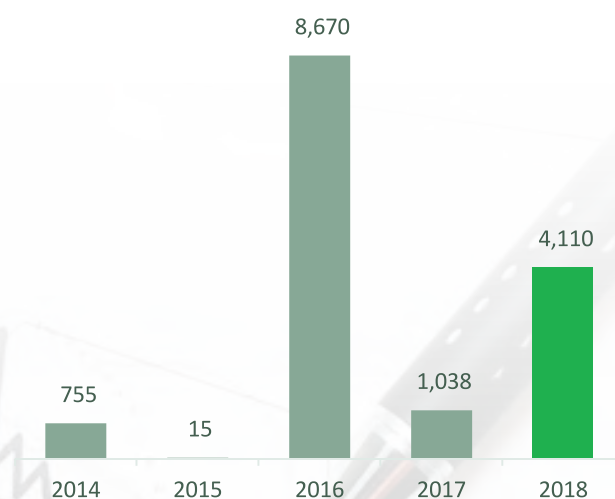


Profit Before Tax



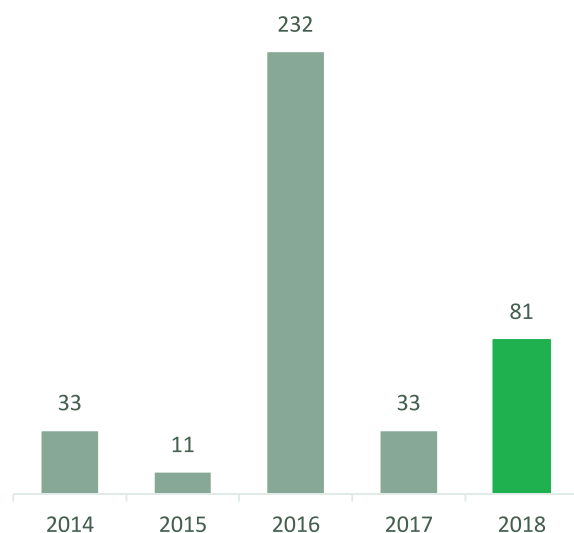
Profit After Tax

TZS Million



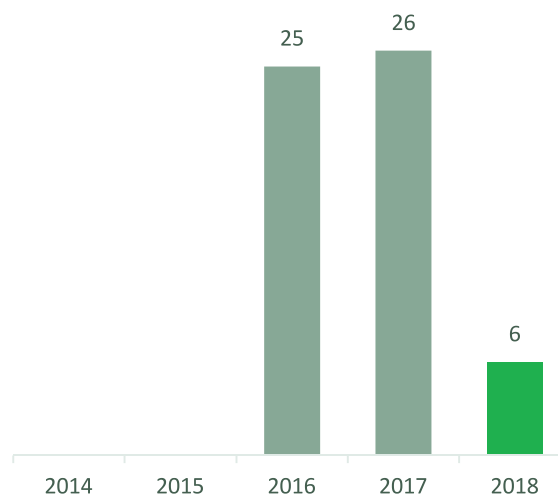
Basic Earning Per Share

TZS Million



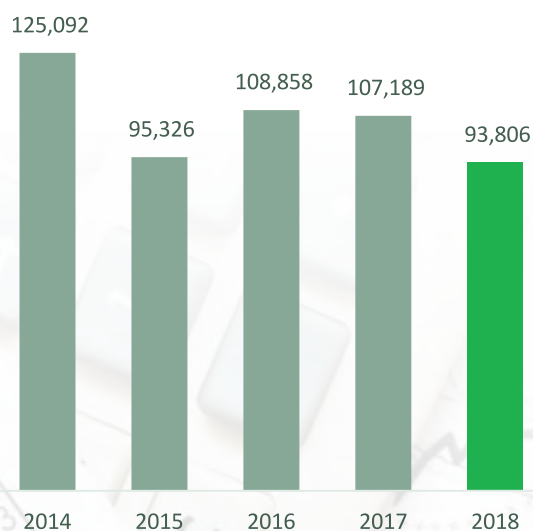
Dividend per Share

TZS Million



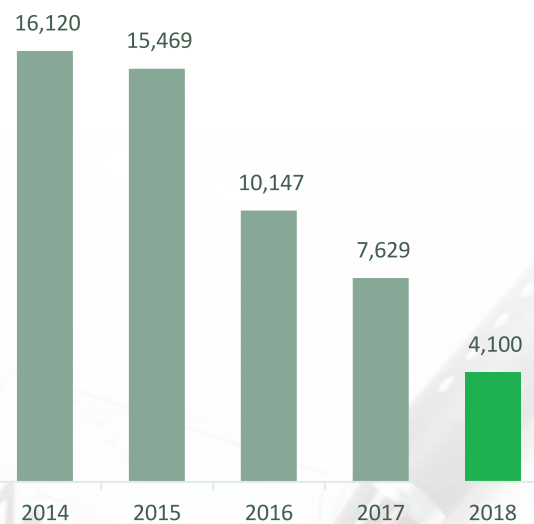
Total Assets

TZS Million

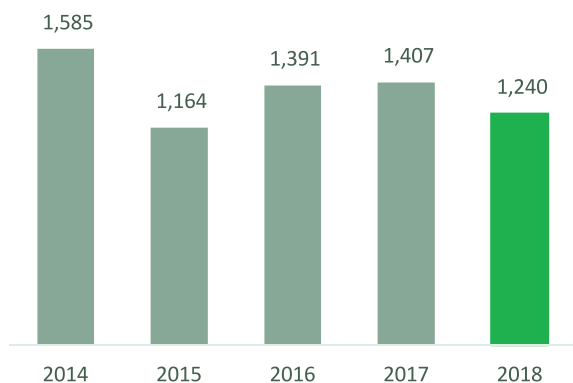


Liabilities

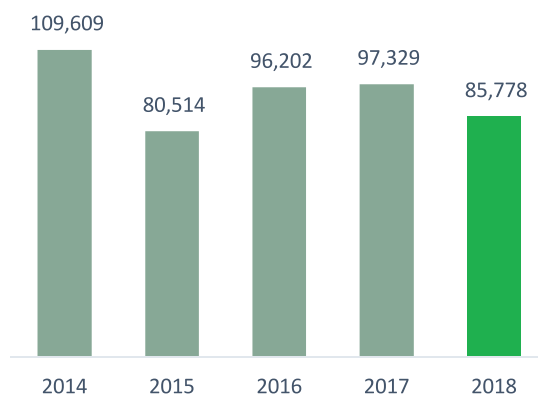
TZS Million



Net Asset Value Per Share
TZS Millions



Shareholder's Fund
TZS Millions





1-DIRA



2-MAONO



3-MAADILI

OUR VISION

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

DIRA YETU

Kuakikisha tunajenga uwezo na kushilikisha Watanzania wa kawaida katika kumiliki na kuendesha uchumi wa Taifa letu.

OUR MISSION

To be the leading investment scheme in the country, mobilize resources from the 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.

MAONO YETU

Kuongoza mpango wa uwekezaji wa pamoja nchini Tanzania, kuhamasisha ukusanyaji rasilimali kutoka kwa umma na kushiriki kiuchumi katika biashara za pamoja kwa njia ya umiliki wa hisa na uwekezaji kwa kutumia mifumo ya usimamizi wa gharama nafuu na teknolojia, kutumia wafanyakazi wenye kujituma na utaalam wa hali ya juu katika maswala ya uwekezaji.

OUR VALUES

The Company provides service anchored in transparency, efficiency, integrity and accountability to the Shareholders and the general public.

The core values of our Company are:

- Transparency

To have a work culture where employees rigorously communicate with their peers and exchange ideas and thought, which progressively build up and maintain trust and respect.

- Transparency

Honest and adherence to the code of conduct that sustain high regard in the eye of the public, nationally and internationally.

- Professionalism

To uphold professionally in dealing with our shareholders, authorities and the general public.

MAADILI YETU

Ili tuweze kufanikisha malengo yetu, kampuni yetu itahakikisha kutoa huduma kwa kuzingatia uwazi, ufanisi, uadilifu na uwajibikaji kwa Wanahisa na umma kwa ujumla.

Maadili makuu ya kampuni yetu ni:

- Uwazi

Kuwa na utamaduni ambao wafanyakazi wataweza kuwasiliana na jamii kwa uwazi na kutoa fulsa kubadilishana na kujenga hoja ambazo zitasaidia kusonga mbele na kujenga uaminifu na heshima.

- Uadilifu

Uaminifu na uzingatiaji wa kanuni ya maadili yanayohimili suala la juu katika jicho la umma, kitaifa na kimataifa

- Taaluma

Kudumisha taaluma katika kushughulika / kuhudumia wanahisa wetu, mamlaka na umma kwa ujumla.



Dr. Gideon H Kaunda (Phd)
Board Chairman

On behalf of the Board of Directors of the National Investments Plc, I am delighted to submit the Annual Report of the Group, consisting of the Company and its subsidiary, the Tanzania Meat Company (TMC), for the financial year ending 31st December, 2018.

While pursuing our core business, the investment activities we have thus far undertaken have been confined principally in the equity market, in both listed and unlisted companies, as well as a measured progression towards entry in the bond market.

Economic Review

Given the background of contemporary economic trends, an overview of prevailing market indicators reveals a mixture of stagnation and buoyancy, with the former being outpaced as developments unfold down the horizon. This phenomenon is exemplified by the down-ward trend in NICOL's earnings, in terms of dividend from our major banking sector investments, which declined by about 40%, shrinking from Tanzania shillings 104 per share in 2017, to Tanzania shillings 64 per share in 2018, though as we look at the turn of events, the future appears reasonably promising. The monetary and financial market indicates that due to accommodative measures taken by the BOT, credit to the private sector has expanded by 8.2%, exceeding the level of 5.2% achieved in August, 2018.

It augurs well that in recent years the financial sector expansion has occurred, with foreign banks accounting for about 48% of the total assets of the banking industry, stimulating competition among commercial banks and resulting in significant improvements in the efficiency and quality of the financial services. Furthermore, in a broader outlook, the country's 2018 economic indicators demonstrate a

fairly encouraging performance, compared to the preceding year. GDP growth reached 6.7% from 6.2% in 2017 and by September, 2019 annual headline inflation stood at 3.6%.

Proposed Dividend Payment

In the prevailing straitened circumstances, the company had to brace itself to scale down resource deployment and expenditure, since NICOL's return on investments, in terms of the 2018 dividends from listed companies, dropped from Tanzania shillings 3.8 billion to 2.5 billion in 2018. Considering this factor, the Board proposes a dividend payment of Tanzania shillings 6 per share.

NICOL Investments

During the year, the Board exercised caution while actively managing its investment portfolio in accordance with the Company's investment objectives and policy guidelines, in the best interests of our shareholders. By way of hedging investment risks and in fostering diversification in tandem with the Shareholders mandate and approval of the Capital Market Authority (CMSA), NICOL is actively but prudently looking at greener pastures afield. The overall strategy is to seek new avenues beyond listed securities with a view to enhancing profitability above what we now possess. As at 31st December, 2018, the Group's investment portfolio in listed securities comprised of equity securities of TZS 84.94 billion, as opposed to TZS 98.57 billion in 2017. For the size, stature and opportunities at NICOL's disposal, this is by far diminutive. Meanwhile, the Group has adopted and maintained a prudent yet proactive investment approach and is closely monitoring the performance of the existing investment portfolios. As a business strategy of the Group, efforts are constantly under

way to identify suitable investment opportunities with growth potential in assets appreciation to boost the company's financial strength, thereby generating better returns for the Group and the Shareholders. During the Year, following a period of lackadaisical management performance, the Group has taken specific measures to improve governance of the Tanzania Meat Co Ltd (TMCL), whose principal business entails the processing of meat and slaughter of cattle and goats for local and export markets. We expect that the interventions instituted by TMCL's Shareholders (NICOL/ Government) to introduce structural changes and improve governance, will present an opportunity for the Group to adopt a realistic business plan and commercially sound objectives.

Looking Forward

The Group continues to engage in the process of diversifying its investments portfolio mix to match with the company's objectives and investment policy. In essence, diversification envisages selection of investment in less risky securities, so as to reallocate the Group's financial resources to achieve operational efficiency and enhance return on investments.

We will continue to explore new investment opportunities both in Tanzania and globally, bearing in mind the need to maintain stability and create an environment for profitable, long-term returns to our shareholders.

In conclusion, allow me to express the Board's sincere gratitude to our shareholders, the Government Authorities and in particular the CMSA and DSE, as well as our business partners, for their continuous support and confidence in National Investments Plc.

Appreciation

I would also like to pay profound gratitude to the staff of NICOL, under the leadership of the CEO, Mr. Adam Wamunza, for their exemplary demonstration of singular commitment and dedication to duty, without whose loyalty and support to the Board, NICOL would not have attained such success. In special recognition of his exceptional leadership, professionalism, candor and laudable integrity, following many years of trials and tribulations, the Board singles out the CEO for commendation and farewell tribute as his tenure comes to an end, after serving this shareholders meeting as his last Annual General Meeting. The Board wishes him well in all his future endeavors as he leaves NICOL with an indelible insignia of a proud and successful corporate entity.



Gideon H. Kaunda (PhD)
Chairman

Kwa niaba ya Bodi ya Wakurugenzi wa Kampuni ya National Investments Plc (NICOL), ninayo furaha kuwasilisha taarifa ya Mwaka ya Kampuni pamoja na kampuni tanzu, Tanzania Meat Company Ltd (TMCL), kwa mwaka wa fedha unaoishia tarehe 31 Desemba, 2018.

Wakati tukiendelea na utekelezaji wa majukumu ya msingi ya uanzishwaji wa kampuni ya NICOL, uwekezaji wetu kwa sasa umejikita zaidi kwenye soko la hisa na kiasi kidogo katika kampuni ambazo hazijasajiliwa sokoni, na kipindi cha sasa tunaendelea na mkakati wa kuwekeza zaidi kwenye masoko ya hati fungani.

Kutokana na mwenendo wa kiuchumi wa sasa, tathmini ya jumla ya viashiria vya soko vinaonesha mchanganyiko wa kudorora na kuimarika kwa biashara ingawaje fursa mpya za kibiashara zimefunguliwa. Hali hii pia limesababisha kushuka kwa mapato ya NICOL sambamba na kushuka kwa mapato ya makampuni ambayo tumewekeza hasa katika sekta ya mabenki, ambapo gawio kutoka benki ya NMB Plc lilishuka kwa zaidi ya asilimia 40% kutoka Shilingi 104 kwa kila hisa iliyolipwa mwaka 2017, mpaka shilingi 64 kwa hisa iliyolipwa mwaka 2018. Hata hivyo, hivi karibuni kumekuwapo na maendeleo yanayoridhisha. Jitihada mbalimbali ambazo Serikali ya awamu ya Tano kupitia Benki Kuu (BOT) zimechukuliwa na kuzaa matunda na kupelekea masoko ya fedha kuimarika na kukua kwa sekta binafsi kwa asilimia 8.2%, mwaka huu ikilinganishwa na kiwango cha asilima 5.2% mnamo Agosti, 2018.

Katika kipindi cha hivi karibuni, sekta ya fedha imeimarika kutoka na usajili wa mabenki ya kigeni kwa kiasi cha asilimia 48% ambao umechangia kuleta ushindani chanya na ufanisi katika sekta ya fedha. Zaidi ya hayo, katika mtazamo mpana, uchumi katika nchi yetu kwa mwaka 2018

unatoa matumaini ya kuimarika, ukilinganisha na kipindi kilichopita. Pato la bidhaa za ndani limekua na kufikia asilimia 6.7% kutoka asilimia 6.2% mwaka 2017 na kwa mwezi wa Septemba, 2019 kiwango cha mfumuko wa bei kilikua asilimia 3.6%.

Katika kipindi cha mwaka 2018, jumla ya shilingi 2.5 bilioni zilikusanywa kutokana na uwekezaji katika masoko ya hisa ikilinganishwa na shilingi 3.5 bilioni zilizopatikana mwaka 2017. Pamoja na kushuka kwa mapato yetu, nimeridhishwa na maendeleo ya kampuni kwa kuweza kupunguza kwa kiasi kikubwa malimbikizo ya madeni, kulipa gawio kila mwaka kwa miaka miwili mfululizo na kuendelea kutekeleza mikakati ya uendeshaji wa kampuni.

Kwa kuzingatia kushuka kwa mapato, na maboresho ya daftari la wanahisa waliosajiliwa katika soko la hisa, Bodi imependekeza malipo ya gawio ya shilingi 6 kwa kila hisa sawa na asilimia 3.3% ya bei ya hisa kwa sasa katika soko la hisa la Dar es Salaam.

Katika kipindi cha mwaka 2018, Bodi imechukua tahadhari kikamilifu kusimamia uwekezaji wake kwa mujibu wa malengo ya uwekezaji wa kampuni na miongozo ya sera ili kulinda maslahi mapana ya wanahisa wetu, kwa kukinga vihatirishi vya hasara, kuhakikisha upanuzi wa rasilimali zetu unatekelezwa kulingana na masharti ya Mamlaka ya Masoko na Mitaji (CMSA). Ni matumaini yangu kwamba tutaendelea kuimarisha na kuweka mikakati mipya ya uwekezaji. Lengo kubwa ni kusogea mbele zaidi kuliko kutegemea uwekezaji katika masoko ya hisa pekee. Tarehe 31 Decemba 2018, NICOL kwa ujumla ilifanikiwa kuwekeza jumla ya shilingi 84.94 bilioni, ikilinganishwa na shilingi 98.57 bilioni mwaka 2017. Kwa ukubwa huu, kwa kihasi hiki, NICOL inastahili kuwa na uwezo wa kuimarika kwa kiwango kikubwa zaidi.

Wakati huo huo, tumeendelea kuchagua njia sahihi za uwekezaji na kwa kufuatilia kwa ukaribu zaidi uwekezaji tuliofanya hadi sasa. Mkakati wa biashara ni kuongeza nguvu nyingi

katika kuvumbua fursa mpya za uwekezaji wenye tija ambao utakidhi ukuaji wa mali na faida kwa lengo la kuongeza kipato kwa wanahisa wetu.

Katika kipindi cha mwaka huu, kutokana na kuzorota kwa utendaji wa uongozi wa kampuni tanzu ya Tanzania Meat Company Ltd (TMCL), tufanya jitihada mbalimbali ili kufufua uzalishaji kwa masoko ya nje na utendaji bora wa kampuni hiyo ambayo kwa muda mrefu imekua ikipata hasara. Ni matumaini yetu hatua zilizochukuliwa kwa pamoja kati ya wanahisa wa TMCL (NICOL/ Serikali) zitatoa fursa ya kufufua upya biashara na kuweka mpango kazi sahihi wenye mantiki ya kibiashara.

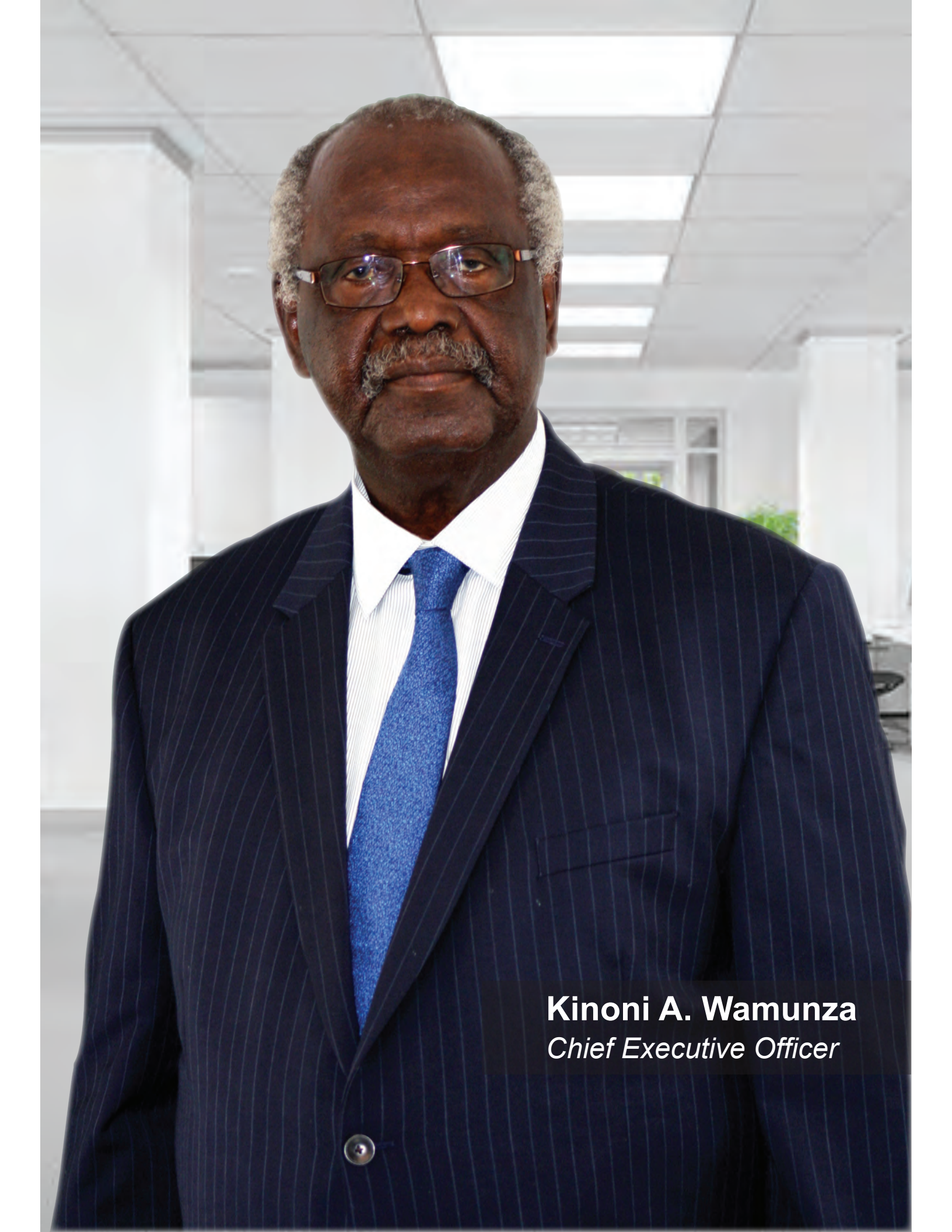
Kampuni kwa sasa bado inaendelea na mchakato wa kuimarisha uwekezaji wake katika maeneo mengine ili kuoanisha na malengo ya kampuni na sera ya uwekezaji. Kimantiki, uwekezaji mseto utafanywa kwa kuzingatia uchaguzi wa maeneo yasiyo na viashiria hatarishi, ili rasilimali fedha zitumike katika kuongeza faida na kipato cha wanahisa.

Kwa kumalizia, nichukue nafasi hii kwa niaba ya Bodi kuelezea shukurani za dhati kwa wanahisa wetu, Mamlaka za Serikali na kwa upekee zaidi natoa shukurani kwa Mamlaka ya Masoko na Mitaji (CMSA) na Soko la Hisa Dar es Salaam (DSA), pamoja na wadau wenzetu wa kibiashara kwa kuendelea kuwa na imani na kampuni ya National Investments Plc.

Kwa kumalizia natoa shukurani zangu za dhati kwa wafanyakazi wa NICOL, chini ya uongozi wa Afisa Mkuu Mtendaji (CEO) Bwana Adam K Wamunza, ambae amefanya juhudi kubwa kushirikiana na Bodi kutatua changamoto zilizokuwepo hapo awali. Vinginevyo, Bodi isingeweza kupata mafanikio yaliyopo hivi sasa bila ushikikiano wake wa karibu. Pamoja na changamoto zilizotukabili kwa miaka mingi, kipekee, tunatambua utaalamu, uaminifu, na uongozi wake makini, baada ya kuhudumia kampuni yetu kwa muda mrefu, Bodi inachukua fursa hii ya kumshukuru sana na kumtakia kila la kheri mara baada ya kumaliza kipindi chake cha uongozi mnamo mwaka 2020. Mkutano huu utakua ni mkutano wake wa mwisho akihudumu katika nafasi ya Afisa Mtendaji Mkuu.



Gideon H. Kaunda (PhD)
Mwenyekiti

A professional portrait of Kinoni A. Wamunza, an older Black man with grey hair and a mustache, wearing glasses, a dark blue pinstripe suit, a white shirt, and a blue tie. He is standing in an office hallway with a drop ceiling and fluorescent lights in the background.

Kinoni A. Wamunza
Chief Executive Officer

I am pleased to table before the shareholders the Annual Report for the Financial Year 2018 which presents a comprehensive performance review of the year ended 31 December 2018.

Operating environment

Considering that a major proportion of the company's portfolio is in equity market, the company performance for the year was influenced to a large extent by the performance of the equity market. The year in general was a challenging one for the capital markets. According to the Dar es Salaam Stock Exchange market performance report, trading value declined by 60% despite the significant increase in the number of shares traded. On the other hand, the banking sector, where a large proportion of the company portfolio is held, started to show positive signs of recovery, hence creating expectations for the coming years.

To minimize the risk of unhealthy dependence on a single portfolio, the company strategically expected to diversify the portfolio into other securities, Treasury bills and bonds, and FDRs, which are a low risk mix that was expected to increase the company's investment income and dividend payments to the shareholders. However, the inability to dispose of NMB shares due to drastic fall in market price impacted on the realization of the strategy.

Financial Performance

The company continued to have positive results in its consolidated financial performance with net profit of TZS 4.1 billion recorded for the year. The company holds investments in quoted instruments with a current value of TZS 84.94 billion, down from TZS 98.57 billion in 2017. The decrease is attributed to the decline in the value of quoted shares and the reduction in trading activities at the DSE.

Tanzania Meat Company Ltd.

Among other factors, the operations of the sole functioning subsidiary company, Tanzania Meat Company Ltd., were affected by the withdrawal of Halal certificate, which meant production for export was discontinued, consequently production activities were severely curtailed and the company receded into financial doldrums. The shareholders of TMCL have put the company under the Administrator who will determine and propose the new directions for the company.

Status of subsidiary companies Appreciation

The process of liquidation of insolvent **Tanzania Fisheries Development Company Ltd** was completed and the company was formally closed and taken off from the Companies Register at BRELA in 2019.

IPL Pharmaceuticals and Beverages Ltd.

The incorporation of **IPL Pharmaceuticals and Beverages Ltd** should have been followed by legal transfer of the activities of Interchem Pharma Ltd and Milcafe Ltd to this company. However, the founding Directors of **IPL Pharmaceuticals and Beverages Ltd**, neglected to complete the registration process in accordance with their own resolution. On the other hand, NICOL under the old management also neglected to carry out credible due diligence because the insolvent state of interchem Pharma Ltd and Milcafe Ltd, the "merging" companies would have been exposed. Consequently, the agreement that **IPL Pharmaceuticals and Beverages Ltd** entered into with NICOL for the latter to acquire 51% (payable in US \$) of its equity has all the indications of a collusion between the founding Directors of **IPL Pharmaceuticals and Beverages Ltd**, and two NICOL Executives of the time (signatories) to defraud NICOL of US \$

2million. Since the founding Directors of **IPL Pharmaceuticals and Beverages Ltd.** and NICOL Executives who executed the agreement, have failed to respond positively to the demand letters, the matter is in the process of being handed over to the law enforcement authorities for necessary action.

Twiga Feeds Ltd.

Twiga Feeds Ltd. reneged on the agreement reached, and filed a suit against NICOL to prevent the disposal of mortgaged property; the case is still in progress.

Court Cases

During the year, there were no new cases associated with the dismissal of the previous management. And, as directed by the 4th General Meeting, letters were sent to the concerned to withdraw their cases; some withdrew from cases to which they were part and thereby necessitating the case being withdrawn and refiled by the remaining parties if they so choose; there has so far not been any instance of the remaining parties refiling the cases.

NICOL will continue to implement and complete the diversification strategy based on its own resources. Other sources of investment funds to finance the non-equity investments its books will be explored.

Appreciation

In conclusion, I would like to thank the Shareholders and other stakeholders for their support and patience, the leadership of the CMSA and the DSE under whose guidance NICOL was relisted in Dar es Salaam Stock Exchange, NICOL Board of Directors under whose guidance and cooperation NICOL led to a rebirth of NICOL and finally the employees of NICOL whose cooperation as team has made all this possible.



Kinoni A Wamunza

Chief Executive Officer

Variance in the Number of Shares Issued

Verification of the variance in the number of shares issued shown in the audited financial statements (37,841,218) and the number of shares issued as recorded in the Shares Register (69,165,170) was concluded and recommendations have been tabled at this general meeting; action will be taken in accordance with the decision to be made by the shareholders.

Ninayo furaha kuwasilisha kwa Wanahisa taarifa ya mwaka kwa mwaka wa Fedha wa 2018 ambayo inataarifu utendaji na matokeo yake kwa mwaka ulioishia tarehe 31 Disemba 2018.

Mazingira ya Kazi

Ikizingatiwa kwamba sehemu kuwa ya uwekezaji uliofanywa na NICOL uko katika soko hisa, hivyo basi utendaji wa NICOL uliathiriwa na utendaji dhaifu katika soko hilo. Masoko ya hisa kwa mwaka 2018 kwa ujumla yalikabiliwa na changamoto nyingi. Kwa mujibu wa Taarifa rasmi ya Soko la Hisa la Dar es Salaam (DSE), thamani ya mauzo iliteremka kwa asili mia 60%, licha ya kuwepo kwa ongezeko kubwa la hisa zilizouzwa. Kwa upande mwingine, sekta ya benki, ambako sehemu kubwa ya uwekeza wa NICOL uko huko, yenyewe ilionesha kuinuka kutoka hali iliyokuwepo mwaka uliopita, na hivyo kuleta matumaini mazuri kwa siku zijazo.

Ili kupunguza utegemezi usio na afya kwenye mfuko moja, kimkakati NICOL iliamua kupanua wigo wa uwekezaji na kuwekeza katika nyanja za hati fungani na FDRs, ambazo zina hatari kidogo, na zinalipa vizuri. Hata hivyo mkakati huu haukuweza kutekelezwa kwa sababu ilishindikana kuuza hisa za NMB kutoka-na na anguko kubwa la bei.

Utendaji Kifedha

Kampuni iliendelea kufanya vizuri kifedha, na katika utendaji kifedha kampuni iliweza kutengeneza faida ya Silingi bilioni 4.1 kwa mwaka 2018. Kampuni imewekeza katika hisa ambazo thamini yake ni Shilingi bilioni 84.94, ambazo zimeshuka kutoka shilingi bilioni 98.57 mwaka uliopita; upungufu huo umetokana na kuanguka kwa bei za hisa katika Soko la Hisa la Dar es Salaam.

Hali ya kampuni tanzu

Tanzania Meat Company Ltd

Pamoja na mambo mengine, utendaji kazi katika kampuni tanzu pekee ya NICOL uliathiriwa na kufutwa kwa "Halal Certificate", jambo ambalo lilipelekea kusitishwa kwa mauzo nje za nchi na hivyo kuathiri uzalishaji kwa ujumla, kampuni ikarejea kwenye lindi la ukata. Wanahisa wa kampuni hii waliamua kuiweka kampuni chini ya uangalizi (Administration) ili atazame na kupendekeza mwelekeo mpya wa kampuni.

Tanzania Fisheries Development Company Ltd.

Mchakato wa kuifunga kampuni hii muflisi ulikamilika na kampuni sasa imefungwa rasmi kisheria, na imeondolewa kutoka Rejesta ya Makampuni katika BRELA.

IPL Pharmaceutical and Beverages Ltd

Usajili wa kampuni hii ungetakiwa uambatane na kuhamishiwa kuja kampuni hii shughuli zote za kampuni zilizoungana, yaani Interchem Pharma Ltd na Milcafe Ltd, ili kuiunda kampuni hii. Hili halikufanyika kwa sababu wakurugenzi waanzilishi walizembea kwa makusudi kukakamilisha mchakato wa usajili kwa mujibu wa maazimio waliopitisha kuanzisha kampuni hii. Kwa upande mwingine, NICOL ya uongozi ulitolewa madarakani nao kwa makusudi walizembea kufanya uchunguzi yakinifu wa uhakika (credible due diligence) kwa kuchelea kuwekwa ukata uliokithiri ulizokabili Interchem Pharma Ltd na Milcafe Ltd. Hivyo basi Mkataba ambao IPL Pharmaceutical and Beverages Ltd. Ilingia na NICOL inunue asilimia 51% ya hisa zake (zilizolipiwa kwa dola za marekani) una dalili zote za kuwa ni njama

kati ya Wakurugenzi wake na watendaji wa NICOL (waliotia saini mkataba wakati huo) kuipoka NICOL dola milini 2. Waku-rugenzi waanzilishi wa IPL Pharmaceutical and Beverages Ltd na watendaji wa NICOL waliandikiwa barua kudai malipo ya fedha za NICOL zilizolipwa, lakini hawakutoa majibu chanya, na baadhi hawakujibu kabisa, suala zima liko katika mchakato wa kukabidhiwa kwa vyombo hisika vya sheria ili hatua stahiki zichuku-liwe kwa mujibu wa sharia.

Twiga Feeds Ltd

Wamiliki wa Twiga Feeds Ltd walivunja makubaliano waliyofika na NICOL, na wakafungua kesi mahakamani kuizuia NICOL kuuza mali iliyowekwa kama dhamana; kesi inendelea.

Kesi Mahakamani

Hakukuwa na kesi mpya iliyofunguliwa dhidi ya uongozi wa NICOL mwaka huu. Kama ilivyoagizwa na Mkutano Mkuu wa nne, barua zilipelekwa kwa wahusika kuwataka wafute kesi zilizopo mahakamani. Wengi waliondosha majina yao kama walalamikaji kati kesi, na hivyo kulazimu kesi kuondolewa mahakani ili zifunguliwe upya na waliobaki, lakini mpaka sasa hilo halijaotea.

Tofauti katika hisa zilizotolewa

Uhakiki wa tofauti wa idadi za hisa zilizotolewa kwa mujibu ya mahesabu ya NICOL (37,841,218) na kwa mujibu wa Rejesta ya Hisa (69,165,170) umefikia mahali pazuri na mapendekezo ya Bodi yameletwa kwenye kikao hiki ili wanahisa waidhinisheshe ipasavyo.

Mwelekeo

NICOL itaendelea kutekeleza na kukamilisha wa kupanua wigo wa uwekezaji kwa kutumia raslimali zake, na vilevile vyanzo vingine vitaendelea kutafutwa.

Shukurani

Kwa kumalizia, napenda kuwashukuru wanahisa kwa ushirikiano na subira walioonesha, viongozi wa CMSA na DSE ambao kwa miongozo yao NICOL imeweza kurudi tena katika Soko la Hisa la Dar es salaam, wakurugenzi wa NICOL ambao chini ya uongozi na ushirikiano wao NICOL imeweza kuzaliwa upya, na wafanyakazi wa NICOL ambao kwa ushirikiano wao kwa pamoja tumefika hapa tulipo.



Kinoni A Wamunza

**Afisa Mtendaji Mkuu
National Investments Plc**



ANNUAL GENERAL MEETING

The shareholders Annual General Meeting (AGM) is the highest organ of the company.

The Board of Directors derives its mandate and authority from the AGM. The AGM elect the Board and appoint the external auditors periodically. The Board guides and controls all the affairs of NICOL.

BOARD OF DIRECTORS

The Board is responsible management and assured safeguard of the shareholders' funds. The Board meets regularly to discharge its duties at the interval and frequency as regulated by the MEMATS. However, in the formative stages of NICOL the Board meets fairly frequently in order to keep close watch on the company's development. The Board formulates the oversees of the implementation of policies and strategic decision. The Board receives technical advices from the Investment Committee. Although the administrative and operational decisions are delegated to the management, the ultimate respon

sibility rests with the Board itself. The principle instruments for guiding the functions and operations of the company currently in place are:

- **Financial Regulations**
- **Staff Regulations**
- **Investments Policy**

During the year, the Board conducted 4 regular Board meeting, 6 Extra ordinary Board meeting and 2 special meeting as shown here under;

Meeting Type	Frequency
Regular Board Meeting	4
Extra-ordinary Board Meting	6
Special Board Meeting	2

INVESTMENT COMMITTEE

The investment committee makes sure that stakeholder's funds are invested wisely in the high-return generating projects.

It independently advised on the investment priorities and establishes an efficient portfolio for NICOL. The Committee determines the placement of Assets and sees to it that the same is managed profitably. The Investment committee is the principle advisor to the Board regarding investment matters.

MANAGEMENT

The management, under the guidance of the Board, is charged with the day to day operations of the company.

It handles the shareholders' affairs and response to the enquiries. It maintains the proper records of the company's proceedings and coordinates the implementation of the Board's directives and resolutions on a daily basis. The management works as the secretariat to the Board and Investment Committee respectively.

AUDITORS

The Annual General Meeting (AGM) appoints the Auditors to serve the office each year. It is the responsibility of the Auditors to report to the shareholders on the Directors' accountability to safeguard the shareholders' interest.



MKUTANO MKUU WA WANAHISA

Kikao cha Wanahisa ndicho chombo cha juu cha Kampuni. Kikao Kikao hicho kinai-pa Bodi mamlaka na nguvu za kiutendaji.

Kikao cha Wanahisa ndicho kinacho ichagua Bodi na kuwateua wakaguzi wa mahesabu kwa kipindi husika. Bodi hutawala na kuendesha mambo yote ya NICOL.

BODI YA WAKURUGENZI

Bodi inawajibika kiutawala na kuhakikisha usalama na ulinzi wa rasilimali ya wanahisa. Bodi huendesha shughuli zake kwa mikutano husika kwa mujibu wa katiba na taratibu mama za kampuni. Kwa nyakati Fulani Bodi hulazimika kukutana kidharura kuhakikisha maendeleo mazuri ya kampuni. Bod hupata ushauri wa kitaaluma toka kwa Kamati ya Uwekezaji. Pamoja na Kukasimu madaraka ya kiutawala na uendeshaji kwa menejimenti, Bodi yenyewe inawajibika kimsingi kwa mambo hayo. Nyaraka za msingi kuisadia kuitawala na kuongoza ni:

- Kanuni za Hesabu za Kampuni
- Kanuni za Kazi za Kampuni
- Seraya Uwekezaji ya Kampuni.

Katika kipindi cha mwaka, katika kutekeleza majukumu yake, Bodi ifanya vikao vifuatavyo:

Vikao	Idadi
Vikao vya Kwa Mujibu wa Sheria	4
Vikao vya Ziada/ Dharula	6
Mikutano Maalum	2

KAMATI YA UWEKEZAJI

Kamati ya uwekezaji inajukumu la kuhakikisha kuwa rasilimali za kampuni zinawekezwa kwa umakini katika miradi itoayo faida na yenye viatarishi vidogo viliyotathminiwa kwa kina. Hutoa ushauri wa kitaalum kwa Bodi katika uwekezaji wa umakini, kuiwezesha NICOL kushiriki zaidi katika kuwekeza.

Kamati ndicho Chombo kikuu cha kuishauri Bodi katika uwekezaji.

MENEJIMENTI

Menejimenti ina jukumu la kila siku la uendeshaji wa shughuli za Kampuni ikiwa chini ya Bodi. Inashughulikia maswala yote ya Wanahisa na kujibu hoja zao zinapotokea. Inawajibikika ku

tunza rekodi husika kwa kila jambo lihusilo maswala ya Kampuni. Kuratibu utekelezaji wa maamuzi na maagizo ya Bodi kila siku. Menejimenti hufanya kazi kama sekretarieti ya Bodi na Kamati ya Uwekezaji.

WAKAGUZI WA MAHESABU

Kikao cha Wanahisa huchagua wakaguzi wa Hesabu kila Mwaka. Wakaguzi wa Hesabu huripoti katika kikao cha Wanahisa juu ya uwajibikaji wa Bodi katika kulin-da na uedeleza rasilimali za Wanahisa.



Dr. Gideon H Kaunda
Chairman



Mrs Joyce N Nyanza
Member



Eng. Peter D Chisawillo
Member



Eng. Ladislaus M Salema
Member



Benjamin S. Mwakagamba
Company Secretary



Gideon H. Kaunda (PhD)
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 re-joined 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 master's degree (LLM) and a PhD (DCL), at the Faculty of Graduate Studies and Research, McGill University, Canada. At different times Dr. Kaunda served as a Consultant with the World Bank, the UNDP, the European Union (EU), AFCAC, Economic Commission for Africa (ECA), COMESA and the Lesotho Government on various infrastructure projects. Dr. Kaunda supervised the

establishment of Alliance Air, a jointly owned airline by Governments of Tanzania, South Africa and Uganda. In 2001 he became an Associate Director, DCDM, a Mauritius based Consulting firm of Business Integrators, Auditors and Accountants.

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; Past 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).

Gideon H. Kaunda (PhD)
Mwenyekiti

Gideon Kaunda ni muhitimu wa sheria na kupata shahada ya LLB, Chuo kikuu cha Afrika Mashariki, Chuo kikuu cha Dar es Salaam. 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 re-joined 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 master's degree (LLM) and a PhD (DCL), at the Faculty of Graduate Studies and Research, McGill University, Canada.

Kwa nyakati tofauti Dk. Kaunda ametumikia kama Mshauri na Benki ya Dunia UNDP, Umoja wa Ulaya (EU), AFCAC, Tume ya Uchumi ya Afrika (ECA), COMESA na Serikali ya Lesotho juu ya miradi ya miundombinu. Dk. Kaunda alisimamia uanzishwaji wa Alliance Air, ndege inayomilikiwa kwa pamoja na Serikali za Tanzania, Afrika Kusini na Uganda. Mwaka 2001 akawa Mkurugenzi Mshiriki, DCDM, kampuni ya Consulting msingi ya Biashara Integrators, Wakaguzi na Wahasibu.

Kabla ya kujiunga na sekta binafsi kama Mjumbe wa TPSF, Dk. Kaunda alichaguliwa na Jopo la Majaji la Jumuiya ya London kama Mkaguzi wa Mahakama ya Kimataifa ya Aviation na Space Arbitration (ICASA.) Anashiriki maslahi maalum katika Utawala wa Anga na Uchunguzi wa Sayansi miili ya anga, inayohusishwa na UN-COPUOS. Maeneo mengine aliyojihusisha kama Mjumbe, 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).



Mrs Joyce N Nyanza
Member

Mrs. Joyce Ng'walu Nyanza is an accountant by profession, she had an Advanced Diploma in Accountancy (ADA) acquired from the Institute of Finance Management (IFM) DSM Tanzania from 1989 - 1992. Mrs. Joyce Ng'walu Nyanza also possesses a MBA acquired from University of Keele, Staffordshire in UK from Sept, 1995 to August, 1996.

Mrs Nyanza started working with Ministry of Health since 1993 – 1999 in different capacity from assistant accountant to Senior Accountant. She also had worked for Tanzania Social Action Fund (TASAF) for 9 years in different capacities as District Accountant January, 2001 - December, 2004 as well as Zonal System Auditor from January, 2005 - December, 2009.

Before joining TASAF Mrs. Nyanza was working as Cash & Liquidity Manager with Swiss Agency for Development Cooperation (SDC) under embassy of Switzerland between May, 1999 and December, 2000. She has also worked as a Board Director in the CRDB Bank Plc for 6 years (2007 – 2013).

She was a Director in the Board of Kilakala Girl's Secondary School from 2008 – 2012, She is also a Board member in Kitungwa Secondary School from 2014 to date.

Mrs Joyce N Nyanza **Mjumbe**

Bi Joyce Ng'walu Nyanza ni mhasibu kitaaluma, alikuwa na Diploma ya Juu ya Uhasibu (ADA) aliyopewa kutoka chuo cha Usimamizi wa Fedha (IFM) DSM Tanzania mwaka 1989-1992. Bi Joyce Ng'walu Nyanza pia ana shahada ya uzamili (MBA) aliyopata kutoka Chuo Kikuu cha Keele, Staffordshire nchini Uingereza kutoka Septemba 1995 hadi Agosti 1996. Bi Joyce Ng'walu Nyanza amefanya kazi katika mifuko ya jamii Tanzania (TASAF) kwa miaka 9 katika nafasi tofauti kama Mhasibu wa Wilaya Januari 2001 - Desemba 2004 na Mkaguzi wa Mfumo wa Kanda tangu Januari 2005 - Desemba 2009.

Kabla ya kujiunga na TASAF Bibi Nyanza alikuwa akifanya kazi kama Meneja wa fedha katika Shirika la Uswisi la Ushirikiano wa Maendeleo (SDC) chini ya ubalozi wa Uswisi kati ya Mei, 1999 na Desemba 2000. Pia amefanya kazi kama Mkurugenzi wa Bodi Benki ya CRDB Bank Plc kwa 6 miaka (2007 - 2013). Alikuwa Mkurugenzi wa Bodi ya Shule ya Sekondari ya Wasichana kutoka 2008 - 2012, pia ni Mkurugenzi wa Bodi katika Shule ya Sekondari ya Kitungwa kuanzia 2014 hadi sasa.



Eng. Ladislaus M Salema
Member

Current Chairman of the TMC-Board and Consulting Civil Engineer. Graduate in Bachelor of Science Engineering (B.Sc. Eng -Nairobi), Master of Science Engineering (UDSM) and Postgraduate Diploma in Industrial Management (RVB- Holland). Other Professional Qualification Registered Engineer No.516, with ERB Tanzania, Fellow –Institution of Engineers Tanzania (FIET) -1994, Fellow - Institution of Civil Engineers (UK)- (FICE) - 2011, Fellow - The Permanent Way Institution (UK)-1979 and Associate Member of Tanzania Institute of Arbitrators 2010.

He has over 30 years of experience in techno-managerial in public service. He has been in the board of Government Employees Provident Fund (GEPP), a former Manager of National Engineering Company and Divisional Director in Tanzania Social Action Fund, and CEO of MKURABITA.

He is a member of the Board of Trustees of Benjamin William Mkapa foundations.

Eng. Ladislaus M Salema Mjumbe

Mwenyekiti wa sasa wa bodi ya TMC-na ushauri mhandisi wa ujenzi. Amehitimu katika shahada ya sayansi Engineering (B.Sc. eng-Nairobi), mkuu wa sayansi Engineering (UDSM) na shahada ya uzamili katika usimamizi wa viwanda (RVB-Holland). Pia ni mtaalamu wa maswala ya ujenzi na kusajiliwa kama mhandisi 516, na ERB Tanzania, Fellow – taasisi ya wahandisi Tanzania (FIET)-1994, wenzake-taasisi ya wahandisi wa kiraia (UK)-(FICE)-2011, Fellow-Institution of Civil Engineering (Uingereza)-1979 na mshiriki Mwanachama wa taasisi ya Tanzania ya wasuluhishi 2010.

Ana uzoefu wa zaidi ya miaka 30 katika teknolojia katika huduma ya umma. Amekuwa katika bodi ya mfuko wa ndani wa wafanyakazi wa serikali (GEPP), Meneja wa zamani wa kampuni ya uhandisi ya taifa na Mkurugenzi wa tarafa katika mfuko wa kijamii wa Tanzania, na Mkurugenzi Mtendaji wa MKURABITA. He is a member of the Board of Trustees of Benjamin William Mkapa foundations.

Currently Serving as Director of the TMC-Board, he has an M.Sc. in Design of Production Machines and Systems (Cranfield University, UK), B.Sc. Mechanical Engineering (Nairobi); other professional qualification is a Registered Professional Engineer with Reg. No. 756 and Member of the Institution of Engineers Tanzania.

Also, currently working with Intermech Engineering Ltd (Managing Director), He has over 30 years of experience, having worked at Mzinga Corporation Morogoro starting as Maintenance Engineer later as Design and Quality Engineer and eventually Chief Engineer. A few among the many Membership Associations and Organizations he has served are: Board Member for Tanzania Investment Centre (TIC), National Development Corporation (NDC), Dar es salaam Water and Sewage Authority (DAWASA), Tanzania Meat Co. Ltd (TMC), Mbeya University of Science and Technology, Tanzania Export Processing Zones Authority, Tanzania Engineering Manufacturing and Design Organisation (TEMDO).

He served as President, Tanzania Chamber of Commerce Industry & Agriculture (TCCIA) and Chairman of the East African Chamber of Commerce Industry & Agriculture (EACCIA).



Eng. Peter D Chisawillo
Member

Eng. Peter D Chisawillo **Mjumbe**

Eng. Peter Chisawillo kwa sasa ni Mkurugenzi wa Bodi ya Kampuni ya Tanzania Meat Co Ltd (TMC), Mr Chisawillo ana ujuzi wa zaidi ya miaka 30 katika masuala ya engineering, kwa sasa anafanya kazi na kampuni ya Intermech Engineering Ltd akiwa ni Mkurugenzi, amefanya kazi kama Chief Engineer. Pia amehudumu kama mjumbe wa Bodi ya Tanzania Investment Centre (TIC), National Development Corporation (NDC).

Hapo awali amefanya kazi kama mjumbe wa Bodi ya Mbeya University of Science and Technology, Tanzania Export Processing Zones Authority, Tanzania Trade Development Authority, TEMDO, na kuhudumu kama Raisi wa Tanzania Chamber of Commerce Industry & Agriculture (TCCIA).

INVESTMENT COMMITTEE

448 +3.61%

400 +1.53%

351 -2.87%

339 -1.57%

315 +8.14%

397 +5.45%

330 +8.88%

125 +1.29%

0.43%

104 +8.47%

35 +1.56%

410 +1.53%

397 +5.45%

339 -1.57%

330 +8.88%

315 +8.14%

425 +1.29%

4 +5.64%



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Eng. Peter D Chisawillo
Member

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Hapo awali amefanya kazi kama mjumbe wa Bodi ya Mbeya University of Science and Technology, Tanzania Export Processing Zones Authority, Tanzania Trade Development Authority, TEMDO, na kuhudumu kama Raisi wa Tanzania Chamber of Commerce Industry & Agriculture (TCCIA).



Adv. Benjamin S. Mwakagamba
Member

Mr. Benjamin S. Mwakagamba graduated LLB degree at university of Dar es Salaam, is an Advocate of High Court of Tanzania and a professional member of Tanganyika Law Society, (TLS) and East African Law Society (EALS).

He is currently the Managing Partner and founder of the Law Firm styled as BM Attorneys. He is a legal practitioner and traveled appreciable distance in the litigation field. He deals with among others company formation and investment advice, Legal services to Bank and Financial institution, corporate restructuring. 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 matter of the organization, and he is also a company Secretary of National Investment Company Limited (NICOL).

Adv. Benjamin S Mwakagamba **Secretary**

Bwana. Benjamin S. Mwakagamba ni Msemaji wa Mahakama Kuu ya Tanzania na mwanachama wa kitaaluma wa Tanganyika Law Society, (TLS) na Shirikisho la Sheria ya Afrika Mashariki (EALS).

Kwa sasa yeye ni Mshirika (Partner) na mwanzilishi wa kampuni ya kisheria ya BM Attorneys. Mwakagamba amekuwa akitoa ushauri wa kisheria katika sector ya Mabenki na Taasisi za Fedha, sheria za mazingira, uanzishwaji na ulekebishwaji wa makampuni, sheria za kodi na mengine mengi.

Ameteuliwa na Tanzania Action Aid kama shauri wa kisheria kushughulikia mambo yote ya kisheria, na pia kwa sasa ni Katibu wa Kampuni ya (NICOL).

MANAGEMENT





Kinoni A Wamunza
Chief Executive Officer

Mr. Kinoni A Wamunza has BA (Economics) and MSc (Management) degrees, and a Post Graduate Diploma in Development Studies. He pursued his studies at the University of East Africa at Dar es Salaam, University of Toronto and Arthur D Little Management Institute. Mr. Wamunza has also attended courses in textiles management and privatization and successfully worked in these sectors.

Mr. Wamunza started his career as an Economist in the Ministry of Agriculture and Cooperatives, after four years he moved to National Development Corporation (NDC) as Senior Operations Officer, and, when textiles were hived off from NDC, he was transferred to National Textiles Corporation. Since 1973, when he was appointed a General Manager, Mr. Wamunza has been working in various senior positions in the textiles sub sector until 1994, when he joined the Loans and Advances Realization Trust (LART),

a World Bank funded project executing the Financial Sector Reform Program, as the Director of Operations. In this capacity, Mr. Wamunza successfully managed and coordinated the activities to meet the institutional objectives, as per the World Bank Mission Report for the period. LART's term ended in 2006.

Mr. Wamunza also served on a number of Boards of the textiles companies, in some of which he also served as Chairman. He also served as a Board member of the Board of External Trade, Textiles Manufacturers Association, and the regional NBC Boards for the Lake zone, as well as Mara and Morogoro regions.

In 2012, Mr. Wamunza was appointed as the Interim Manager of NICOL where, notwithstanding the extremely hostile, disheartening and at times dangerous work environment and conditions, he has been able to deliver to a large extent on the employer's expectations.

Mr. Wamunza is currently the Chief Executive Officer of NICOL on a term contract.

KINONI A WAMUNZA **AFISA MTENDAJI MKUU**

Mr. Kinoni A Wamunza ana shahada ya BA (Uchumi) na MSc (Usimamizi), na Diploma ya Chuo cha Uzamili katika Mafunzo ya Maendeleo. Alifanya masomo yake katika Chuo Kikuu cha Afrika Mashariki Dar es Salaam, Chuo Kikuu cha Toronto na Taasisi ya Usimamizi wa Arthur D. Mr. Wamunza pia amehudhuria kozi katika usimamizi wa nguo na ubinafsishaji na kufanya kazi kwa ufanisi katika sekta hizi.

Mr. Wamunza alianza kazi yake kama Mchumi katika Wizara ya Kilimo na Ushirika, baada ya miaka minne aliamia Shirika la Maendeleo la Taifa (NDC) kama Afisa Mkuu wa Uendeshaji, na, wakati nguo zilipokuwa zikiondolewa kutoka NDC, aliamishiwa kwenye Nguo za Taifa Shirika.

Tangu mwaka wa 1973, alipochaguliwa kuwa Meneja Mkuu, Mr. Wamunza amekuwa akifanya kazi katika nafasi mbalimbali za juu katika sekta za nguo mpaka mwaka 1994, alipojiunga na Loans and Advances Realization Trust (LART), Mradi wa Fedha wa Dunia Utekelezaji wa Fedha Mpango wa Mageuzi ya Sekta, kama Mkurugenzi wa Uendeshaji. Kwa uwezo huu, Mr. Wamunza aliweza kusimamia na kuratibu shughuli hizo ili kufikia malengo ya taasisi, kwa mujibu wa Ripoti ya Ujumbe wa Benki ya Dunia kwa kipindi hicho. Muda wa LART ulikamilika mwaka 2006.

CPA Erasto Ngamilaga joined NICOL as the Chief Financial Officer in year 2017. Prior to 2017, CPA Erasto Ngamilaga was the support consultant in NICOL. He has over 12 years of financial and administration experience. Before joining NICOL he was the Credit Risk Manager, Acting Supply Finance Manager at Serengeti Breweries Ltd

For over three years, he worked in the Mining Sector as Finance Manager, Cost Accountant and the project Finance Manager at Tanzanite One Mining Ltd.

CPA Erasto Ngamilaga joined SAAFI Ltd a meat processing company as the Finance Manager for the period over one year. He was the Financial Analyst at NMB PLC.

Mr. Erasto Ngamilaga holds Advanced Diploma in Accountancy from Tanzania Institute of Accountancy (TIA) and is a Certified Public Accountant (CPA T).



Cpa. Erasto G Ngamilaga
Chief Financial Officer



Adv. Benjamin S. Mwakagamba
Member

Mr. Benjamin S. Mwakagamba graduated LLB degree at university of Dare es Salaam, is an Advocate of High Court of Tanzania and a professional member of Tanganyika Law Society, (TLS) and East African Law Society (EALS).

He is currently the Managing Partner and founder of the Law Firm styled as BM Attorneys. He is a legal practitioners and traveled appreciable distance in the litigation field. He deals with among others company formation and investment advice, Legal services to Bank and Financial institution, corporate restructuring. Environmental Law, intellectual property law, Corporate, Statutory and Business support services,

Mr. Benjamin S. Mwakagamba graduated LLB degree at university of Dare es Salaam, is an Advocate of High Court of Tanzania and a professional member of Tanganyika Law Society, (TLS) and East African Law Society (EALS).

He is currently the Managing Partner and founder of the Law Firm styled as BM Attorneys. He is a legal practitioners and traveled appreciable distance in the litigation field. He deals with among others company formation and investment advice, Legal services to Bank and Financial institution, corporate restructuring. Environmental Law, intellectual property law, Corporate, Statutory and Business support services,

Adv. Benjamin S Mwakagamba **Secretary**

Bwana. Benjamin S. Mwakagamba ni Msemaji wa Mahakama Kuu ya Tanzania na mwanachama wa kitaaluma wa Tanganyika Law Society, (TLS) na Shirikisho la Sheria ya Afrika Mashariki (EALS). Kwa sasa yeye ni Mshirika (Partner) na mwanzilishi wa kampuni ya kisheria ya BM Attorneys. Mwakagamba amekuwa akitoa ushauri wa kisheria katika sector ya Mabenki na Taasisi za Fedha, sheria za mazingira, uanzishwaji na ulekebishwaji wa makampuni, sheria za kodi na mengine mengi.

Ameteuliwa na Tanzania Action Aid kama shauri wa kisheria kushughulikia mambo yote ya kisheria, na pia kwa sasa ni Katibu wa Kampuni ya (NICOL).



FINANCIAL STATEMENTS - 2018



The Directors present their report and the audited consolidated and separate financial statements for the year ended 31 December 2018, which disclose the state of affairs of the Company and its subsidiaries; Tanzania Meat Company Limited and Tanzania Fisheries Development Company Limited (together referred to as "the Group") as at that date.

1. INCORPORATION

National Investments Public Limited Company (hereafter referred to as "NICOL" or the "Company") is a publicly listed company incorporated in the United Republic of Tanzania under the Companies Act 2002. It operates vide certificate of incorporation No 41644 of 27 June 2001.

NICOL has an authorized share capital of TZS 200 billion divided into 1.6 billion shares of TZS 125 each.

NICOL's registered office is situated at 11 Serengeti Road, Mikocheni "B", P.O Box 7465, Dar es Salaam, Tanzania.

2. PRINCIPAL ACTIVITY

The principal activity of the company is to acquire or establish and manage business enterprises in key sectors of the economy such as manufacturing, financial services, telecommunications, agriculture, mining and other service sectors. The principal activities of the subsidiary (Tanzania Meat Company Limited) deals in meat processing and custom slaughtering of Cattle, Sheep and Goat for local and export market.

3. SUBSIDIARIES

National Investments Public Limited Company owns two subsidiaries as shown below:

Name of company	% of share holding	Status
Tanzania Meat Company Limited (TMC)	51	Active
Tanzania Fisheries and Development Company Limited (TFDC)	100	In process of being wound up

Out of the above subsidiaries, only TMC had active operations taking place after year end. NICOL had acquired 51% shareholding in TMC in 2008.

The activities of Tanzania Fisheries Development Company Limited (TFDC) were processing of Fish and its by-products for the export market. Due to its poor performance and dormancy for many years, the Board resolved that the company be liquidated and its assets be disposed off. The company is finalizing the winding up process.

4. BOARD OF DIRECTORS

The names of Directors who held office during the year and to the date of this report are as follows;

Names	Designation	Date of appointment	Nationality
Dr. Gideon H Kaunda	Chairman	14-Apr-12	Tanzanian
Mrs. Joyce N Nyanza	Member	14-Apr-12	Tanzanian
Eng. Ladislaus M Salema	Member	14-Apr-12	Tanzanian
Eng. Peter D Chisawillo	Member	02-Dec-17	Tanzanian

Directors interest in the shares of the Company in 2018

The following are the names of the Directors who had an interest in the issued and paid up share capital of the Company.

Names	No of shares
Dr. Gideon H Kaunda (Chairman)	19,752
Mrs. Joyce N Nyanza (Member)	30,000
Eng. Ladislaus M Salema	11,486
Eng. Peter D Chisawillo	10,770

5 GOING CONCERN

As of 31 December 2018, the group realised a net profit of TZS 4.11 billion (2017: TZS 1.04 billion) and the Group's current liabilities exceed its current assets by TZS 3.34 billion (2017: TZS 5.87 billion).

The company held investments in quoted instruments with a carrying value of TZS 84.94 billion (2017: TZS 98.57 billion) The decrease in value of quoted shares arose out of the reduction in trading activities at the DSE. These quoted instruments can be readily liquidated in order to settle short term obligations as and when they fall due, hence the realization of assets and settlement of liabilities will occur in the ordinary course of business.

Consequently, these financial statements have been prepared on the going concern basis.

6 FINANCIAL PERFORMANCE

	Group		Company	
	2018	2017	2018	2017
	TZS.'000	TZS.'000	TZS.'000	TZS.'000
Profit before tax	4,183,134	1,181,567	2,099,325	1,683,717
Tax charge	(72,856)	(143,624)	(130,734)	(201,502)
Profit for the year	4,110,278	1,037,943	1,968,591	1,482,215

The Board is in the process of portfolio diversification to boost and improve profitability of the Company as advised by the shareholders during the 4th Annual General Meeting.

The results for the year are set out on page 11.

7 DIVIDENDS

Dividends are not recognised as a liability until after they have been approved at the Annual General Meeting. The Directors propose payment of a dividend for the year 2018 of TZS 6 per share, amounting to a total of TZS 414,991,020. The 2017 proposed dividend of TZS 26 per share, amounting to TZS 983,871,668 was approved in 2018.

The Board has recommend the dividend payment of TZS 6 per share for the financial year ended 2018 taking into consideration the following;

- The Group is implementing expansion programs, including acquisition of property for development as investment and corporate offices, as advised by the shareholders during the 4th Annual General
- The process of sorting out the problem of the number of NICOL shares issued include initial recognition of the number of shares issued as 69,165,170 shares that appear in the shares register, as opposed to 37,841,218 shares.

8 STATE OF AFFAIRS

The Group and Company's state of affairs as at 31 December 2018 is set out on page 49 of these financial statements.

9 ADMINISTRATIVE MATTERS

The Group administrative matters are handled by the Board of Directors with delegated responsibility to management.

10 EMPLOYEE MATTERS

Management/employee relationship

Management/employees relationship continued to be good during year. The Group's employment terms are reviewed annually in consultation with the workers trade union representatives to ensure they continue to meet statutory and market conditions.

The Group communicates with its employees through regular management and staff meetings and through circulars and an in-house newsletter, which is published quarterly.

A training program is drawn up every year to cater for all grades of staff. Training is mainly conducted in-house. However, external institutions are used for specialized and executive training programs.

Retirement benefits

All eligible employees are members of the National Social Security Fund. The employees and Company and subsidiaries contribute 10% each of the employees' gross salary. The Company and subsidiaries have no further legal or constructive obligation to pay further top-up contributions.

11 CORPORATE GOVERNANCE

National Investments Public Limited Company is committed to the highest standards of corporate governance. Its governance structure is flexible enough to adapt to changes in the internal and external environment and the Group strives to regularly review its processes, rules and regulations and structure with a view to ensuring the best performance of the Group and overall management of its business. National Investments Public Limited Company adheres to good standards and practices of corporate governance.

The company key aspects of corporate governance includes:

The Board of Directors

The Directors are appointed by the shareholders at the Annual General Meeting for a term of four (4) years. The Directors are eligible for re-appointment as long as they do not exceed the age of 70 years or as approved by the shareholders. The Board is responsible and accountable to shareholders for ensuring that NICOL complies with all relevant laws and the highest standards of corporate governance and business ethics.

The Board provides the overall strategic direction, reviews performance and takes material policy decisions. Responsibility for implementing strategy and day to day operations is delegated by the Board to the Chief Executive Officer (CEO). The Board meets regularly to review all policy issues pertaining to operations and effectiveness of internal control and general financial matters, throughout the year

Training

To enable the Group to discharge its corporate governance obligations effectively, the Group has a Budget for training programs meant to equip its directors, management and employees with the best functional skills required in a modern corporate entity.

12 RISK MANAGEMENT

The Group's risk taking, in an appropriate manner, is an integral part of business. Success relies on optimizing the trade-off between risk and reward. In the course of conducting its business, the Group is exposed to a variety of risks, including credit, market, operational, strategic and reputation risk.

The Group's risk management approach is that:

- All risks must be identified and managed, and that the returns must be commensurate with the risks taken, relative to the corporation's risk appetite;
- The effectiveness of risk management processes is ensured through formal governance and comprehensive regular reporting processes in a well-defined control environment; and
- It is the responsibility of each individual, relative to their position, to identify themselves with the declared priority of risk management, to recognise real or anticipated risk and to take appropriate action.

Risk management is guided by several principles, the most important being:

- The assignment of appropriate responsibility and accountability for all risks and resulting returns;
- The adoption of a framework for integrated risk management which applies across all business units and all risk types for the protection of the company's reputation;
- Formal risk governance processes.

13 RELATED PARTY TRANSACTIONS

Details of transactions with related parties are disclosed in note 23 of the financial statements.

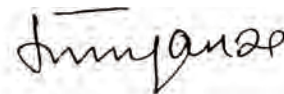
14 INDEPENDENT AUDITOR

PKF Associates Tanzania have expressed their willingness to continue in office and are eligible for re-appointment. A resolution to re-appoint PKF Associates Tanzania, as auditor will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



Dr. Gideon H Kaunda
Chairman



Mrs. Joyce N Nyanza
Director

12 / 04 / 2019

The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the company as at the end of the financial year and of its profit or loss for that year. It also requires the Directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the group and the company; that disclose, with reasonable accuracy, the financial position of the group and the company and that enable them to prepare financial statements of the group and the company that comply with the International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002. The Directors are also responsible for safeguarding the assets of the group and the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Tanzanian Companies Act, 2002. They also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies;
- iii. Making accounting estimates and judgements that are reasonable in the circumstances;

The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the group and of the company as at 31 December 2018 and of the group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002.

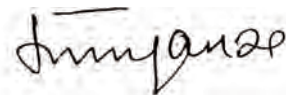
In preparing these financial statements the Directors have assessed the group's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the group and its subsidiary will not remain as a going concern for at least the next twelve months from the date of this statement.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 12 / 04 / 2019 and signed on its behalf by:



Dr. Gideon H Kaunda
Chairman



Mrs. Joyce N Nyanza
Director

DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

The National Board of Accountants and Auditors (NBAA) according to the powers conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors 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 statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as detailed under the Directors Responsibility statement on the previous page.

In regard thereof, I ERASTO G. NGAMILAGA being the Head of Finance/Accounting of National Investments Company Limited group hereby acknowledge my responsibility of ensuring that the group and company's financial statements for the year ended 31 December 2018 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of National Investments Company Limited and group as on that date and that they have been prepared from properly maintained financial records.



Signed by:

Position: **Chief Financial Officer**

NBAA Membership No.: **CPA: 1878**

Date: **12 / 04 / 2019**

Opinion

We have audited the consolidated and company financial statements of National Investments Public Limited Company, set out on pages 49 to 85 which comprise the consolidated and company statement of financial position for the year ended 31 December 2018, and the consolidated and company statement of profit or loss and other comprehensive income, consolidated and company statement of changes in equity and consolidated and company statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the consolidated and company financial position for the year ended 31 December 2018, and the consolidated and company financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Tanzania Companies Act, 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the company and the group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be a key audit matter to be communicated in our report.

Acquisition of Property

During the year the company entered into an agreement for purchase of building in the process of construction on a 1,200 Sqm Plot No. 818 in Msasani Peninsula for a cost of TZS 1.6 billion. As of year end, the company paid TZS 362,500,200 as a deposit towards the purchase of this property. The balance payable in equal monthly installments of TZS 20.83 Million for a period of 59 months with effect from October 2018.

We agreed details of this transaction to the Company's board of Directors approval, Valuer's report and the agreement with the seller. The tripartite sale agreement between the TIB bank which had custody of the title, the seller and the company was being finalised as of the time of sign of these financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' report, and the schedule of expenditure but does not include the financial statements and our auditor's report thereon.

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

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, and the requirement of the Tanzanian Companies Act 2002, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group and 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 company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit carried out in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and based on the audit evidence obtained, assess whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group'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 consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated 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 consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulations 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 matters prescribed by the Tanzania Companies Act 2002

In our opinion the information given in the report of the directors on pages 40 to 43 consistent with the financial statements. We report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the company and the group, so far as appears from our examination of those books; and
- the group and company's statement of financial position and statement of comprehensive income are in agreement with the books of account.



Certified Public Accountant

Tanzania

CPA Mustansir Gulamhussein, Practising certificate No. 1810

Signing partner responsible for the independent audit

PKF Associates Tanzania

REF: PKF/A/T017/032/18/mg

Date: **12 / 04 / 2019**

CONSOLIDATED AND COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
		2018	2017	2018	2017
	Notes	TZS '000	TZS '000	TZS '000	TZS '000
Revenue	2	1,395,579	1,935,233	-	-
Cost of sales		(813,144)	(770,043)	-	-
Gross profit		582,434	1,165,190	-	-
Other income	3	4,242,530	181,092	1,262,368	-
Administrative expenses		(2,445,138)	(3,151,804)	(1,548,345)	(1,865,308)
Other operating expenses		(728,626)	(648,628)	(147,479)	(86,691)
Operating profit/(loss)	5	1,651,200	(2,454,150)	(433,456)	(1,951,999)
Investment income	4	2,538,906	3,885,324	2,538,906	3,885,324
Finance costs	7	(6,972)	(249,608)	(6,125)	(249,608)
Profit before taxation		4,183,134	1,181,567	2,099,325	1,683,717
Tax charge	8	(72,856)	(143,624)	(130,734)	(201,502)
Profit for the year		4,110,278	1,037,943	1,968,591	1,482,215
Other comprehensive (loss)/income:					
Net change in fair value (loss)/gain on available for sale financial assets during the year	24	(13,628,366)	819,457	(13,628,366)	819,457
Total comprehensive (loss)/income		(9,518,089)	1,857,401	(11,659,776)	2,301,673
Profit attributable to					
Equity shareholders		3,060,852	1,254,026	1,968,591	1,482,215
Non-controlling interests		1,049,426	(216,083)	-	-
		4,110,278	1,037,943	1,968,591	1,482,215
Total comprehensive (loss)/income attributable to:					
Equity shareholders		(10,567,515)	2,073,483	(11,659,776)	2,301,673
Non-controlling interests		1,049,426	(216,082)	-	-
Dividend:		(9,518,089)	1,857,401	(11,659,776)	2,301,673
Declared dividends for the year:	9	(983,872)	(946,031)	(983,872)	(946,031)
Earnings per share for profit attributable to the ordinary equity holders of the company:					
Basic earnings per share	14	81	33	52	39
Diluted earnings per share	14	44	18	28	21

The notes on pages 54 to 85 form an integral part of these financial statements

Report of the independent auditor - page 46 to 48

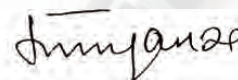
CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

		Group		Company	
		2018	2017	2018	2017
	Notes	TZS '000	TZS '000	TZS '000	TZS '000
EQUITY					
Share capital	10	4,730,153	4,730,153	4,730,153	4,730,153
Share premium	11	4,562,836	4,562,836	4,562,836	4,562,836
Retained earnings		(672,804)	(2,818,658)	(454,853)	(1,439,572)
Available for sale investments reserve		75,433,813	89,062,179	75,433,813	89,062,179
Property revaluation reserve		1,723,633	1,792,508	-	-
Equity attributable to owners of the company		85,777,631	97,329,018	84,271,950	96,915,596
Non-controlling interests		1,492,220	442,794	-	-
Total equity		87,269,851	97,771,812	84,271,950	96,915,596
Non-current liabilities					
Other liability	17	987,500	282,667	987,500	-
Deferred tax liability	12	1,448,430	1,506,308	-	-
		2,435,930	1,788,975	987,500	-
		89,705,781	99,560,787	85,259,450	96,915,596
REPRESENTED BY					
Non-current assets					
Property, plant and equipment	16	8,104,820	6,862,009	1,778,972	141,057
Investment securities	24	84,937,469	98,565,835	84,937,469	98,565,835
		93,042,288	105,427,843	86,716,441	98,706,892
Current assets					
Inventories	18	26,187	-	-	-
Trade and other receivables	19	122,817	150,276	886,253	727,422
Cash and cash equivalents	20	614,749	1,611,347	610,394	1,600,278
		763,753	1,761,623	1,496,646	2,327,700
Current liabilities					
Trade and other payables	21	3,032,076	6,479,410	2,303,637	3,149,536
Other liability	17	559,370	26,704	250,000	-
Borrowings	13	400,000	969,460	400,000	969,460
Tax payable		108,814	153,105	-	-
		4,100,260	7,628,679	2,953,637	4,118,996
Net current liabilities		(3,336,507)	(5,867,056)	(1,456,991)	(1,791,296)
		89,705,781	99,560,787	85,259,450	96,915,596

The financial statements on pages 11 to 45 were approved and authorised for issue by the Board of Directors on 2019 and were signed on its behalf by:



Dr. Gideon H Kaunda
Director



Mrs. Joyce N Nyanza
Director

The notes on pages 54 to 85 form an integral part of these financial statements
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FINANCIAL STATEMENTS FOR THE YEAR 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital TZS '000	Share premium TZS '000	Available for sale investments reserve TZS '000	Property revaluation reserve TZS '000	Retained earnings TZS '000	Non controlling interest TZS '000	Total TZS '000
Year ended 31 December 2018					(Note 15)			
As start of year		4,730,153	4,562,836	89,062,179	1,792,508	(2,818,657)	442,794	97,771,813
Profit for the year		-	-	-	-	3,060,852	1,049,426	4,110,278
Amortisation of excess depreciation on revalued assets					(68,873)	68,873		-
Other comprehensive income for the year, net of income tax:								
Available for sale financial assets								
Net change in fair value loss on available for sale financial assets during the year	24	-	-	(13,628,366)	-	-	-	(13,628,366)
Transactions with owners:								
Dividends:						(983,871)		(983,871)
-2017 declared dividend								
At end of year		4,730,153	4,562,836	75,433,813	1,723,635	(672,804)	1,492,220	87,269,853
Year ended 31 December 2017								
As start of year		4,730,153	4,562,836	88,242,722	1,861,381	(3,195,525)	658,877	96,860,444
Profit for the year		-	-	-	-	1,254,026	(216,083)	1,037,943
Amortisation of excess depreciation on revalued assets					(68,873)	68,873		-
Other comprehensive income for the year, net of income tax:								
Available for sale financial assets								
Net change in fair value gain on available for sale financial assets during the year	24	-	-	819,457	-	-	-	819,457
Transactions with owners:								
Dividends:								
At end of year		4,730,153	4,562,836	89,062,179	1,792,508	(2,818,657)	442,794	97,771,813

FINANCIAL STATEMENTS FOR THE YEAR 2018

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital TZS '000	Share premium TZS '000	Available for sale investments reserve TZS '000	Retained earnings TZS '000	Total TZS '000
Year ended 31 December 2018						
As start of year		4,730,153	4,562,836	89,062,179	(1,439,572)	96,915,595
Profit for the year:		-	-	-	1,968,591	1,968,591
Other comprehensive income for the year, net of income tax:						
Available for sale financial assets						
Net change in fair value of available for sale financial assets	24	-	-	(13,628,366)	-	(13,628,366)
Transactions with owners:						
Dividends:						
-2017 declared dividend					(983,872)	(983,872)
At end of year		4,730,153	4,562,836	75,433,813	(454,854)	84,271,949
				Available for		
		Share	Share	sale investments	Retained	Total
		capital	premium	reserve	earnings	
	Note	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Year ended 31 December 2017						
As start of year		4,730,153	4,562,836	88,242,722	(1,975,756)	95,559,954
Profit for the year:		-	-	-	1,482,215	1,482,215
Other comprehensive income for the year, net of income tax:						
Available for sale financial assets						
Net change in fair value of available for sale financial assets	24	-	-	819,457	-	819,457
Transactions with owners:						
Dividends:						
-2016 declared dividend					(946,031)	(946,031)
At end of year		4,730,153	4,562,836	89,062,179	(1,439,572)	96,915,596

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

		Group		Company	
		2018	2017	2018	2017
	Notes	TZS '000	TZS '000	TZS '000	TZS '000
Operating activities					
Cash from operations	22	2,419,060	6,801,794	2,375,447	6,489,634
Tax paid		(130,734)	(224,347)	(130,734)	(201,502)
Net cash from operating activities		2,288,326	6,577,447	2,244,713	6,288,132
Investing activities					
purchase of property, plant and equipment	16	(1,731,593)	(432,375)	(1,681,264)	(146,454)
Cash paid for purchase of quoted instruments		-	(850,000)	-	(850,000)
Net cash used in investing activities		(1,731,593)	(1,282,375)	(1,681,264)	(996,454)
Financing activities					
Repayments of borrowings		(569,460)	(3,449,989)	(569,460)	(3,449,989)
Dividend paid		(983,872)	(946,031)	(983,872)	(946,031)
Net cash used in financing activities		(1,553,332)	(4,396,020)	(1,553,332)	(4,396,020)
Increase/(decrease) in cash and cash equivalents		(996,599)	899,052	(989,883)	895,658
Movement in cash and cash equivalents					
At start of year		1,611,347	712,295	1,600,278	704,621
Increase/(decrease) in cash and cash equivalents		(996,599)	899,052	(989,883)	895,658
At end of year	20	614,749	1,611,347	610,394	1,600,278

The notes on pages 54 to 85 form an integral part of these financial statements

Report of the independent auditor - page 46 to 48

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These financial statements comply with the requirements of the Tanzanian Companies Act, 2002. The statement of profit or loss and statement of 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.

a) Basis of preparation

The consolidated financial statements are prepared under the historical cost convention except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into consideration when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The financial performance of the group is set out in the Director's report and in the statement of profit or loss and the other comprehensive income. The financial position of the group/company is set out in the statement of financial position. Disclosures in respect of risk and capital management are set out in note 26 and 27.

Based on the financial performance and position of the group and its risk management policies, the Directors are of the opinion that the group is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

i) New and amended standards adopted by the group

The following new and revised Standards and Interpretations have been adopted in the current year. Unless otherwise disclosed, their adoption has had no material impact on the amounts reported in these financial statements:

IFRS 15: Revenue from contracts with customers

- Under IFRS 15, revenue from sale of goods is recognised when the customer obtains control of the goods. The application of the standard, retrospectively, in the current year has not had a material impact on the financial position or financial performance of the company, and a prior period adjustment has, therefore, not been required.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

i) New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective for the year presented:

- Amendments to IAS 12 'Income Taxes' effective for annual periods beginning on or after 1 January 2019 clarifying on the recognition of income tax consequences of dividends.
- Amendments to IAS 19 'Employment Benefits' effective for annual periods beginning on or after 1 January 2019 clarifying the effects of retirement benefit plan amendment, curtailment or settlement.
- Amendments to IAS 23 'Borrowing Costs' effective for annual periods beginning on or after 1 January 2019 clarifying that specific borrowings remaining unpaid at the time the related asset is ready for its intended use or sale will comprise general borrowings.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' effective for annual periods beginning on or after 1 January 2019 clarifying that IFRS 9 is only applicable to investments to which the equity method is not applied.
- Amendments to IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangements' effective for annual periods beginning on or after 1 January 2019 in relation to remeasurement of previously held interests on joint operation on obtaining control.
- Amendments to IFRS 9 'Financial Instruments' effective for annual periods beginning on or after 1 January 2019 clarifying that the existence of prepayment features with negative compensation will not in itself cause the instrument to fail the amortised cost classification.
- IFRS 16 'Leases' (issued in January 2017) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (issued June 2017) effective for annual periods beginning on or after 1 January 2019 clarifies the accounting for uncertainties in income taxes.
- In respect of impairment of financial assets, IFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract.
- In respect of hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risks.
- IFRS 15 'Revenue from Contracts with Customers' (issued in May 2014) effective for annual periods beginning on or after 1 January 2018, replaces IAS 11 'Construction Contracts', IAS 18 'Revenue' and their interpretations (SIC-31 and IFRIC 13,15 and 18). It establishes a single and comprehensive framework for revenue recognition based on a five-step model to be applied to all contracts with customers, enhanced disclosures, and new or improved guidance.
- IFRS 16 'Leases' (issued in January 2016) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

ii) New standards, amendments and interpretations issued but not effective (continued)

- The Directors expect that the future adoption of IFRS 9, IFRS 15 and IFRS 16 may have a material impact on the amounts reported. However, it is not practicable to provide a reliable estimate of the effects of the above until a detailed review has been completed. The Directors do not expect that adoption of the other Standards and Interpretations will have a material impact on the financial statements in future periods. The entity plans to apply the changes above from their effective dates noted above.

b) Key sources of estimation uncertainty

In the application of the accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

The Directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Impairment of trade receivables** - the company reviews their portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in future cash flows expected.
- **Useful lives of property, plant and equipment** - Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the Directors determined no significant changes in the useful lives and residual value.
- **Fair value measurement and valuation process** - In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the group makes use of financial models or engages third party qualified values to perform the valuation and provide inputs to the model.

c) Significant judgements made by management in applying the company's accounting policies

Directors have made the following judgements that are considered to have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition - In making their judgement, the Directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 and, in particular, whether the group had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the group's liability in respect of rectification work, and the agreed limitation on the customers ability to require further work or to require the replacement of the goods, the Directors are satisfied that the significant risks and rewards have been transferred and that recognition of an appropriate provision for the rectification costs.

Held to maturity financial assets - The Directors have reviewed the group's held to maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the group's positive intention and ability to hold those assets to maturity.

Control of subsidiaries, associates and joint ventures - The Directors assess whether or not the group has control over any entity based on whether or not the group has the practical ability to direct the relevant activities of the entity unilaterally. In making their judgement, the directors considered the groups absolute size of holding in the entity and the relative size of dispersion of the shareholdings owned by the other shareholders.

Others may include: valuation of defined benefit obligations, recognition of deferred tax assets

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Revenue recognition

The company recognises revenue 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 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) Direct sales of goods and service

Sales of services such as slaughtering is recognised when cattle, sheep and goats undergo a slaughtering process. Revenue is recognised net of VAT and discounts.

ii) Dividend income

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

iii) Dividend income

Interest income from financial assets is recognised when its probable that the economic benefit will flow to the group 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.

e) Investment in subsidiaries/consolidation

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies. Control is achieved when the company; has power over the trustee; is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The group also assesses the existence of control where it does not have a majority of the voting 'rights power but is able to govern the financial and operating policies of a subsidiary. Control may arise in certain circumstances where including the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, where potential voting rights are held by the company and rights from other contractual arrangements etc.

When the company has assessed and has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the company gains control until the date the company ceases to control the subsidiary.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition and up to the effective date of disposal as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Investment in subsidiaries/consolidation (continued)

Intra-group balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary adjustments are made to financial statements of subsidiary to bring their accounting policies into line with the groups accounting policy.

- Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

- Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

- Business combinations

The group applies the acquisition method to account for business combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred to/by the group, liabilities incurred by the group to the former owners of the acquire and the equity interests issued by the group in exchange for control of the acquire. Acquisition related costs are generally recognised in profit or loss as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date through profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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 IAS 39 'Financial Instruments: Recognition and Measurement' in profit or loss income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Investments in associates and joint ventures

Associates are all entities over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

Investments in associates or jointly controlled entities are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the company and its associates are eliminated to the extent of the company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

When a group entity undertakes its activities under joint venture arrangements directly rather than in a separate entity (a joint operation), the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Property, plant and equipment

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Freehold and leasehold land, buildings and plant and machinery are subsequently shown 'at market value, based on periodic valuations less subsequent depreciation.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation are credited to other comprehensive 'income except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the retained earnings to revaluation reserve.

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 company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Leasehold land is not depreciated.

Depreciation is calculated on a straight line method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Building	4.2
Leasehold land	Lease period
Plant and machinery	20
Motor vehicles	25
Furniture, fittings and office equipment	25

The assets residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

h) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian Shillings (the functional currency), at the rates ruling at the transaction

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign determined currency are not retranslated.

The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Financial instruments

Financial instruments are recognised when, and only when, the company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

- Financial assets

The company classifies its financial assets into the following categories:

i) Amortised cost;

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost; The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

ii) Fair Value Through Other Comprehensive Income (FVTOCI):

Financial assets that are held for collection of contractual cash flows where these cash flows comprise SPPI and also for liquidating the assets depending on liquidity needs and that are not designated at FVTPL, are classified and measured at value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gain or losses, interest revenue and foreign exchange gain and losses. Gains and losses previously recognised in OCI are reclassified from equity to profit or loss on disposal of such instruments. Gains and losses related to equity instruments are not reclassified.

iii) Fair Value Through Profit or Loss (FVTPL):

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measure at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement.

Notwithstanding the above, the Company may:

- on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income
- on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Company has transferred substantially all risks and rewards of ownership, or when the Company has no reasonable expectations of recovering the asset.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Financial instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Impairment

The Company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI):

- Cash and cash equivalents
- Trade and other receivables
- Other financial assets

No impairment loss is recognised on investments measured at FVTPL.

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

- Financial liabilities

Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

All other financial liabilities are classified and measured at amortised cost.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the Company's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Group does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Financial instruments (continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

j) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 3 months, net of bank overdrafts and money market lines.

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

k) Interest cost

Interest is recognised on the time proportion basis, taking account of the principal debt outstanding and the effective rate over the period to maturity.

l) Borrowing costs

Borrowing cost is recognised as an expense in the year in which it is incurred, except to the extent that it is directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period to prepare for their intended use or sale. Borrowing costs directly attributable to these qualifying assets are capitalised as part of the costs of those assets.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount borrowing costs capitalised are the actual borrowing costs incurred on that borrowing during the year less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs capitalised is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate applied is the weighted average of the borrowing cost applicable to costs applicable to the borrowings of the company that are outstanding during the year other than the borrowings made specifically for the purpose of obtaining a qualifying asset.

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

Capitalisation of borrowing costs ceases when the assets are substantially ready for their intended use or sale.

m) Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in equity, in which case, the tax is also recognised in equity.

Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Pension obligations

The company contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligations under this scheme are limited to specific contribution regulated from time and currently stated at 10% of the employee's gross pay. The company's contributions are charged to the statement of comprehensive income in the year to which they relate.

o) Share capital

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

p) Dividends

Proposed dividends are disclosed as a separate component of equity until declared.

Dividends are recognised as a liabilities in the period in which they are approved by the company's shareholders.

q) Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

r) Earning per Share

The Group and Company presents basic and diluted earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Group and 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.

s) Comparatives

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

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
2. Revenue from contracts with customers				
Revenue from services:				
- Cattle slaughter fees	514,421	594,099	-	-
- Goats and sheep slaughter fees	749,609	1,337,396	-	-
- Chilling fees	59,644	3,738	-	-
Revenue from sale of goods:				
- Meat sales	71,905	-	-	-
	1,395,579	1,935,233	-	-
3. Other income				
Rent income	600	23,785	-	-
Loading fees	58,221	75,235	-	-
Creditors written off	781,533	-	781,533	-
Provisions written back - Exim bank (Note 13)	469,460	-	469,460	-
Provisions written back - Others	2,921,341	79,806	-	-
Miscellaneous income	11,375	2,267	11,375	-
	4,242,530	181,092	1,262,368	-
4. Investment income				
Dividend income	2,475,713	3,807,421	2,475,713	3,807,421
Interest income	63,192	77,903	63,192	77,903
	2,538,906	3,885,324	2,538,906	3,885,324

5. Operating profit/(loss)

The following items have been charged/(credited) in arriving at the operating (loss)/profit

Depreciation on property, plant and equipment (Note 16)	276,074	199,303	-	8,195
Auditor's remuneration:				
- Current year fees	55,406	54,071	26,916	26,218
- Prior year additional fees	13,051	149,677	13,051	90,592
Write back of TFDC creditors	(769,856)	-	(769,856)	-
Write back of TMC excess provisions	(2,921,341)	-	-	-
Write back of Exim bank loan liability	(469,460)	-	(469,460)	-
Legal and professional fees	391,678	599,500	305,987	397,953
Directors fees	87,600	69,600	54,000	36,000
Directors expenses	121,017	134,026	64,585	61,376
CEO bonus	56,944	-	56,944	-
Bad debts	5,376	53,873	-	-
Staff costs (Note 6)	1,092,378	1,059,433	611,399	486,320
6. Staff costs				
Salaries and wages	648,132	594,237	402,905	315,819
NSSF expenses	47,761	32,137	22,807	4,670
Gratuity	97,998	53,218	97,998	53,218
Interim manager expenses	-	90,380	-	90,380
Retirement expenses	34,599	75,012	-	-
Other staff costs	263,887	214,450	87,688	22,233
	1,092,378	1,059,433	611,399	486,320
7. Finance costs				
Foreign exchange gain	(1,971)	(98,207)	(2,817)	(98,207)
Interest on loan	8,943	347,815	8,943	347,815
	6,972	249,608	6,125	249,608

8. Tax	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Current tax				
5% final withholding tax on dividends	124,415	190,371	124,415	190,371
10% withholding tax on interest	6,319	11,131	6,319	11,131
Deferred tax credit (Note 12)	(57,878)	(57,878)	-	-
	72,856	143,624	130,734	201,502

The tax on the profit before tax differs from the theoretical amount that would arise using the basic rate as follows:

Profit before tax	4,183,134	1,181,567	2,099,325	1,683,717
Tax calculated at a tax rate of 30% (2017: 30%)	1,254,940	354,470	629,798	303,613
Tax effect of:				
- income not subject to tax	(629,798)	(303,613)	(629,798)	(303,613)
- expenses not deductible for tax purpose	28,366	-	-	-
Effect of 5% final tax on dividend income	124,415	-	124,415	190,371
Effect of 10% final tax on interest income	6,319	-	6,319	11,131
Deferred tax assets derecognised - TMC	(653,509)	92,767	-	-
Deferred tax credit on excess depreciation	(57,878)	-	-	-
Tax Charge	72,856	143,624	130,734	201,502

9. Dividends

Dividends are not recognised as a liability until they have been approved at the Annual General Meeting. The Directors propose payment of a dividend for the year 2018 of TZS 6 per share, amounting to a total of TZS 414,991,020. The 2017 dividends of TZS 26 per share, amounting to TZS 983,871,668 were approved in 2018.

The Board recommend dividend payment of TZS 6 per share for the financial year ended 2018 taking into consideration that;

- The Group is implementing expansion programs, including acquisition of property for investment and corporate offices, as advised by the shareholders during the 4th Annual General Meeting.
- The process of sorting out the problem of the number of NICOL shares issued include initial recognition of the number of shares issued as 69,165,170 shares that appear in the shares register, as opposed to 37,841,218 shares.

Payment of dividends is subject to withholding tax at the rate of 5% for residents and 10% for non-residents. Payment of dividends for shares held by resident limited entities in excess of 12.5% of the shareholding are exempted from withholding tax.

10. Share capital	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Authorised				
1,600,000,000 Ordinary shares of TZS. 125 each	200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid				
37,841,218 Ordinary shares of TZS. 125 each	4,730,152	4,730,152	4,730,152	4,730,152

On 6 June 2018, NICOL re-listed a total of 69,165,170 shares in the Dar es Salaam Stock Exchange, the variance from issued and fully paid shares is represented by unpaid shares which shall be tabled at the 5th Annual General Meeting for rectification.

11. Share premium	2018	2017	2018	2017
	Tshs.'000	Tshs.'000	Tshs.'000	Tshs.'000
Share premium	4,921,388	4,921,388	4,921,388	4,921,388
Transaction costs- net of tax	(358,552)	(358,552)	(358,552)	(358,552)
	4,562,836	4,562,836	4,562,836	4,562,836

12. Deferred tax

Deferred tax is calculated, in full, on all temporary tax timing differences under the liability method using a tax rate of 30% (2017: 30%). The movement on the deferred tax account is as follows:

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
At start of year	1,506,308	1,564,186	-	-
Deferred tax credit on excess depreciation	(57,878)	(57,878)	-	-
Charge to property reserve (Note 15)	-	-	-	-
At end of year	1,448,430	1,506,308	-	-

The Deferred tax (assets) / liabilities, deferred tax charge/(credit) to profit or loss are attributable to the following items:

Group		At start of year	Credited to profit or loss	At end of year
		TZS '000	TZS '000	TZS '000
Deferred tax (asset)/liabilities				
Property, plant and equipment				
- accelerated capital allowance		-	-	-
Provisions		-	-	-
Property revaluation		1,506,308	(57,878)	1,448,430
Net deferred tax liabilities		1,506,308	(57,878)	1,506,308

No deferred tax asset has been recognized in the accounts due to significant tax losses carried forward in 2017 as the Directors were uncertain of the company's ability to generate sufficient taxable profits against which the losses will be utilised in the foreseeable future.

13. Borrowings

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Current liabilities				
Bank overdraft				
Exim Bank (Tanzania) Limited	400,000	969,460	400,000	969,460

Exim Bank (Tanzania) Limited

National Investments Public Company Limited had a disputed overdraft balance with Exim Bank (Tanzania) Limited amounting to TZS 300,000,000 at an interest rate of 19% per annum. The loan had accrued interest of TZS 669,460,000 as at 30 June 2018. The loan was not secured by any assets of the company. In 2018, the company entered into an out of court settlement agreement for an amount of TZS 500,000,000 in full settlement of the outstanding payable balance.

As per the settlement deed TZS 100 Million was paid on 6 November 2018, and the final TZS 400 Million is payable on or before 30 June 2019.

14. Earnings per share

Basic earnings per share

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

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Profit attributable to equity holders	3,060,852	1,254,026	1,968,591	1,482,215
Weighted average number of ordinary shares	37,841,218	37,841,218	37,841,218	37,841,218
Earnings per share	81	33	52	39

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

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

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Profit attributable to equity holders	3,060,852	1,254,026	1,968,591	1,482,215
Weighted average number of ordinary shares	69,165,170	69,165,170	69,165,170	69,165,170
Earnings per share	44	18	28	21

15. Property revaluation reserve

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Balance at beginning of the year	3,514,720	3,649,766	-	-
Amortisation of excess depreciation	(135,046)	(135,046)		
Balance at end of the year	3,379,674	3,514,720	-	-

Attributable to:

Company 51%	1,792,507	1,861,381	-	-
Non Controlling interest 49%	1,722,213	1,788,385	-	-
	3,514,720	3,649,766	-	-

The properties revaluation reserve arose from the revaluation of land and buildings, office furniture, equipment, plant and machinery and motor vehicles of Tanzania Meat Company Limited.

The company's assets were valued by an independent valuer, Roots General Agency Co Ltd in association with TKA Company Limited in 2016 on an open market value basis.

Leasehold land have a useful life of thirty three years commenced on 1 October 2008 and expiring on 30 September 2041 and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over a period of 24 years to allocate the cost of Leasehold land.

16. Property, plant and equipment

Year ended 31 December 2018

Group

	Capital work in progress	Leasehold land	Buildings	Plant and machinery	Motor vehicles	Furniture and fittings	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cost or valuation							
At start of year	-	5,105,000	1,172,998	537,573	296,459	226,442	7,338,472
Additions	1,600,000	-		15,789	-	115,804	1,731,593
At end of year	1,600,000	5,105,000	1,172,998	553,362	296,459	342,246	9,070,065
Comprising							
Cost	-	700,000	1,070,769	553,362	296,459	301,242	2,921,832
Valuation	-	4,405,000	102,229	-	-	41,004	4,548,233
	-	5,105,000	1,172,998	553,362	296,459	342,246	7,470,065
Depreciation							
At start of year	-	212,708	48,875	91,580	54,262	69,038	476,463
Charge for the year	-	212,708	49,266	108,746	60,143	57,919	488,782
At end of year	-	425,416	98,141	200,326	114,405	126,957	965,245
Net book value	1,600,000	4,679,584	1,074,857	353,036	182,054	215,289	8,104,820

The Capital work in progress relates to amounts prepaid for purchase of a building under construction on a 1,200 sqm plot 818 Msasani. The company as of year end had entered into agreement for purchase of this property for 1.6 billion with the balance payable in 59 equal monthly installments of TZS 20.83 Million effective from October 2018

Year ended 31 December 2017

Group

		Leasehold land	Buildings	Plant and machinery	Motor vehicles	Furniture and fittings	Total
		TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cost or valuation							
At start of year		5,105,000	1,172,998	427,725	78,921	121,453	6,906,097
Additions		-		109,848	217,538	104,989	432,375
At end of year		5,105,000	1,172,998	537,573	296,459	226,442	7,338,472
Comprising							
Cost		700,000	1,070,769	537,573	296,459	185,438	2,790,239
Valuation		4,405,000	102,229	-	-	41,004	4,548,233
		5,105,000	1,172,998	537,573	296,459	226,442	7,338,472
Depreciation							
At start of year		-	-	-	26,670	37,782	64,452
Charge for the year		212,708	48,875	91,580	27,592	31,256	412,011
At end of year		212,708	48,875	91,580	54,262	69,038	476,463
Net book value		4,892,292	1,124,123	445,993	242,197	157,404	6,862,009

16. Property, plant and equipment

Company

Year ended 31 December 2018	Capital work in progress	Motor vehicles	Furniture and fittings	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Cost				
At start of year	-	171,386	42,319	213,705
Additions	1,600,000	-	81,264	1,681,264
At end of year	1,600,000	171,386	123,583	1,894,969
Depreciation				
At start of year	-	33,745	38,903	72,648
Charge for the year	-	36,179	7,170	43,349
At end of year	-	69,924	46,073	115,997
Net book value	1,600,000	101,462	77,510	1,778,972

Year ended 31 December 2017		Motor vehicles	Furniture and fittings	Total
		TZS '000	TZS '000	TZS '000
Cost				
At start of year		26,670	40,581	67,251
Additions		144,716	1,738	146,454
At end of year		171,386	42,319	213,705
Depreciation				
At start of year		26,670	37,783	64,453
Charge for the year		7,075	1,120	8,195
At end of year		33,745	38,903	72,648
Net book value		137,641	3,416	141,057

17. Other liability	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Current liability				
Alkafil Company Limited	225,302	26,704	-	-
Fudar Facility	84,068	-	-	-
Liability for purchase of Msasani property	250,000	-	250,000	-
	559,370	26,704	250,000	-
Non current liability				
Alkafil Company Limited	-	198,599	-	-
Fudar Facility	-	84,068	-	-
Liability for purchase of Msasani property	987,500	-	987,500	-
	987,500	282,667	987,500	-

On 13 November 2013 the TMC entered into a 5 year contract with Alkafil Company Limited where by Alkafil erected a deboning meat processing facility to be used specifically and exclusively for the benefit of the Alkafil Company Limited. Under the agreement, the company agreed and allowed Alkafil Company Limited to construct the deboning facility at Alkafil Company Limited costs in the company premises. The consideration of this arrangement was that, the company will slaughter animals (cattle, sheep and goats) at a discounted price in return for capital funding of the fixed asset and improvement made. The permanent fixtures are the property of the company. The present value of the consideration granted has been capitalised to property, plant and equipment at a rate of 15% and the corresponding liability recognised as other liability. The asset is depreciated over its useful life. The liability unwinds over the term of the contract.

During the year the management entered into an agreement for purchase of building in the process of construction on a 1,200 Sqm plot No. 818 in Msasani Peninsula for a cost of TZS 1.6 billion. As of year end, the company paid TZS 362,500,200 as a deposit towards the purchase of this property. The balance payable in equal monthly installments of TZS 20.83 Million for a period of 59 months with effect from October 2018.

18. Inventories	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Finished goods	22,295	-	-	-
Packing and branding materials	3,892	-	-	-
	26,187	-	-	-

19. Trade and other receivables	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Trade receivables	116,941	143,756	-	-
Other receivables	48,681	148,980	37,474	133,353
Staff loans and advances	32,447	-	32,447	-
Receivable from related party (Note 23 (i))	-	-	816,332	594,069
Less: Provision for doubtful debts	(75,253)	(142,459)	-	-
Net trade and other receivable	122,817	150,276	886,253	727,422

The carrying amounts of trade and other receivables approximate to their fair

The company's credit risk arises primarily from trade receivables.

19. Trade and other receivables (continued)

The carrying amount of the company's trade and other receivables is denominated in the following

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Tanzania shilling	110,400	727,422	886,253	727,422
US Dollar	12,416	-	-	-
	122,817	727,422	886,253	727,422

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
20. Cash and cash equivalents				
Cash in hand	4,068	3,751	6	478
Bank balances	110,681	207,597	110,388	199,800
Fixed deposit	500,000	1,400,000	500,000	1,400,000
	614,749	1,611,347	610,394	1,600,278

For the purposes of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Cash at bank and in hand	614,749	1,611,347	610,394	1,600,278

The company's bank balances are held with a major Tanzanian financial institution.

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

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Tanzania Shilling	583,797	1,426,483	579,442	1,416,050
US Dollar	30,952	184,864	30,951	184,228
	614,749	1,611,347	610,394	1,600,278

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
21. Trade and other payables				
Other payables	1,297,059	4,939,225	1,119,367	2,091,480
Accruals	872,404	594,155	321,657	112,026
Dividend payable	862,613	946,030	862,613	946,030
	3,032,076	6,479,410	2,303,637	3,149,535

The carrying amount of trade and other payables approximate to their fair values.

21. Trade and other payables (continued)

The carrying amounts of the company's trade and other payables are denominated in the following currencies:

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Tanzania Shilling	2,464,164	5,911,498	1,735,725	2,581,623
US Dollar	567,912	567,912	567,912	567,912
	3,032,076	6,479,410	2,303,637	3,149,535

The maturity analysis of the trade and other payables is as follows:

Consolidated	0 to 1	2 to 3	4 to 12	
Year ended 31 December 2018	month	months	months	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Other payables	-	-	1,297,059	1,297,059
Accruals	785,164	87,240	-	872,404
Dividend payable	-	-	862,613	862,613
	785,164	87,240	2,159,672	3,032,076

Consolidated

Year ended 31 December 2017				
Other payables	-	-	4,939,225	4,939,225
Accruals	534,739	59,415	-	594,155
Dividend payable	-	-	946,030	946,030
	534,739	59,415	5,885,256	6,479,410

Company	0 to 1	2 to 3	4 to 12	
Year ended 31 December 2018	month	months	months	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Other payables	-	-	1,119,367	1,119,367
Accruals	289,491	32,166	-	321,657
Dividend payable	-	-	862,613	862,613
	289,491	32,166	1,119,367	2,303,638

Company				
Year ended 31 December 2017				
Other payables	-	-	2,091,480	2,091,480
Accruals	100,823	11,203	-	112,026
Dividend payable	-	-	946,030	946,030
	100,823	11,203	3,037,510	3,149,536

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
22. Cash from operations				
Reconciliation of the profit before tax to cash from operations:				
Profit before tax	4,183,134	1,181,567	2,099,325	1,683,717
Adjustments for:				
Depreciation on property, plant and equipment (Note 16)	488,783	412,011	43,349	8,195
Changes in working capital:				
- inventories	(26,187)			
- trade and other receivables	27,460	4,257,466	(158,829)	3,962,848
- trade and other payables	(3,491,628)	1,000,720	(595,899)	834,874
- Other liability	1,237,499	(49,970)	987,500	-
Cash from operations	2,419,060	6,801,794	2,375,447	6,489,634

23. Related party transactions

The group is controlled by National Investments Public Limited Company (NICOL) incorporated in Tanzania, which owns 51% of Tanzania Meat Company Limited (TMC). The remaining 49% of the TMC shares are held by National Ranching Company Limited (NARCO).

The following balance arose from transactions with related parties:

(i) Receivable from related party (Note 19)

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Tanzania Meat Company Limited	-	-	816,332	594,069
	-	-	816,332	594,069

(ii) Investment in subsidiaries

	2018	2017	2018	2017
	—	—	TZS '000	TZS '000
Tanzania Meat Company Limited	51	51	-	-
Tanzania Fisheries Development Company Limited	100	100	3,027,264	3,027,264
Provision for impairment			(3,027,264)	(3,027,264)
			-	-

(iii) Directors' remuneration

Director expenses	121,017	134,026	64,585	61,376
Director's fees	87,600	69,600	54,000	36,000

24. Investment securities

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
At start of the year	98,565,835	96,896,377	98,565,835	96,896,377
Additions	-	850,000	-	850,000
Fair value (loss)/gain for the year	(13,628,366)	819,457	(13,628,366)	819,457
At end of the year	84,937,469	98,565,835	84,937,469	98,565,835

24. Investment securities (continued)

These are investments in securities quoted and traded on Dar Es Salaam Stock Exchange (DSE). The market prices of these securities are available to the general public.

	% interest	2018	2017
	held	TZS '000	TZS '000
NMB Shares	6.6	77,335,877	90,886,180
Tanzania Breweries Limited	0.12	4,667,349	5,065,340
Simba Cement Shares	0.06	25,798	48,372
CRDB Shares	0	43,041	45,910
Swissport Plc Shares	0.01	8,938	11,760
TCC Shares	0.01	130,560	129,024
Twiga Cement Shares	0.03	125,742	89,118
DSE Shares	6.35	1,800,163	1,440,131
Vodacom		800,000	850,000
		84,937,469	98,565,835

25. Investment in subsidiaries	2018	2017	2018	2017
	%	%	TZS '000	TZS '000
Tanzania Meat Company Limited	51	51	-	-
Tanzania Fisheries Development Company Limited	100	100	3,027,264	3,027,264
Provision for impairment			(3,027,264)	(3,027,264)

In 2008, NICOL acquired 51% shareholding in Tanzania Meat Company Limited (TMC), an entity deals with customs slaughter of animal for local and export market. The National Ranching Company owns 49% of the equity of TMC.

Tanzania Meat Company Limited (TMC)

The Company's current total liabilities exceeded the total current assets by TZS 1,855,983,000 (2017: total liabilities exceeded total assets by TZS 3,987,440,000).

TMCL's ultimate holding company, National Investment Public Limited Company (NICOL) has confirmed its commitment to continue providing financial support to the company in the form of a quasi -equity loan, without fixed repayment terms and has further confirmed that it will not recall its existing loan of TZS 816,332,000 (2017: TZS 594,069,000) in the foreseeable future. This commitment will remain in place until current assets of the company exceed its current liabilities.

Tanzania Fisheries Development Company Limited (TFDC)

TFDC has remained dormant since 2009. During the year 2017 the group sold off TFDC's property, plant and equipment. The holding company, National Investments Public Limited Company (NICOL) took over all the liabilities and assets of the subsidiary and paid off the TFDC bank borrowings under a deed of settlement. The winding up process was voluntarily on 2017, none of creditor's claims was submitted as per the notice issued by the liquidator therefore the write off approval has been granted of TZS 769,855,511.

26. Risk management objectives and policies

Financial risk management

The group's/company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk), credit risk and liquidity risk.

The group's/company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the management.

(a) Market risk

Foreign exchange risk

The group/company is exposed to foreign exchange risk arising primarily with respect to the US Dollar.

The table below summarises the effect of post-tax profit had the Tanzanian Shilling weakened by 10% against the US Dollar, with all other variables held constant. If the Tanzanian Shilling strengthened against the US Dollar, the effect would have been the opposite.

The carrying amount of the group's/company's material foreign currency denominated monetary assets and liabilities that will have an impact on profit or loss when the exchange rates changes, at the end of the reporting period are as follows:

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Assets				
Cash and bank balance	30,952	184,864	30,951	184,228
Trade and other receivables	12,416	-	-	-
Liabilities				
Borrowings	-	-	-	-
Trade and other payables	(567,912)	(567,912)	(567,912)	(567,912)
Net exposure	(524,544)	(383,048)	(536,961)	(383,684)
Pre tax effect on gain	(5,245)	3,830	(5,370)	(3,837)
Tax	(1,574)	(1,149)	(1,611)	(1,151)
Decrease	(3,672)	(2,681)	(3,759)	(2,686)

Price risk

The group is exposed to equity securities price risk arising from investments. The group is also exposed to price risk arising from slaughter fees from cattle, sheep's and goat.

Interest rate risk

The group has no interest bearing assets and as a result its cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.

26. Risk management objectives and policies (continued)

(b) Credit risk (continued)

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

None of the financial assets that are fully performing has been renegotiated in the last year.

(c) Liquidity risk

Cash flow forecasting is performed by the finance department of the group by monitoring the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the company's management maintains flexibility in funding by maintaining availability under committed credit lines.

Notes 13 and 21 disclose the maturity analysis of borrowings and trade and other payables respectively.

The table below discloses the undiscounted maturity profile of the financial liabilities:

Group 2018	On demand	Between 3 months - 1 year	Between 1 - 5 years	More than 5 years	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Borrowings	400,000	-	-	-	400,000
Trade and other payables	-	3,032,076	-	-	3,032,076
Other liability	-	559,370	987,500	-	1,546,870
	400,000	3,591,446	987,500	-	4,978,946
Company 2018					
Borrowings	400,000	-	-	-	400,000
Trade and other payables	-	2,303,637	-	-	2,303,637
	400,000	2,303,637	-	-	2,703,637

Group 2017					
Borrowings	969,460	-	-	-	969,460
Trade and other payables	-	6,479,410	-	-	6,479,410
Other liability	-	26,704	282,667	-	309,371
	969,460	6,506,114	282,667	-	7,758,241
Company 2017					
Borrowings	969,460	-	-	-	969,460
Trade and other payables	-	3,149,536	-	-	3,149,536
	969,460	3,149,536	-	-	4,118,996

26. Risk management objectives and policies (continued)

(d) Fair value measurements

The group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The table below shows an analysis of all assets and liabilities for which fair value is measured or disclosed in the financial statements by level of their fair value hierarchy. The fair values are grouped into three levels as mentioned in Note 1 (a) of these financials, based on the degree to which the fair value is observable.

The table below gives information about how the fair values of these financial assets and financial liabilities are determined:

Group			
Year ended December 2018	Level 1	Level 2	Level 3
	TZS '000	TZS '000	TZS '000
Assets			
Property, plant and equipment	-	-	8,104,820
Investment securities	84,937,469	-	-
Liabilities			
Property revaluation reserve	-	-	1,723,633
Deferred tax liability	1,448,430	-	-
	86,385,899	-	9,828,453

Company			
Year ended December 2018			
Assets			
Property, plant and equipment	-	-	1,778,972
Investment securities	84,937,469	-	-
Liabilities			
Property revaluation reserve	-	-	-
Deferred tax liability	-	-	-
	84,937,469	-	1,778,972

26. Risk management objectives and policies (continued)

(d) Fair value measurements (continued)

Group			
Year ended 31 December 2017	Level 1	Level 2	Level 3
	TZS '000	TZS '000	TZS '000
Assets			
Property, plant and equipment	-	-	6,862,009
Investment securities	98,565,835	-	-
	98,565,835	-	6,862,009
Liabilities			
Property revaluation reserve	-	-	1,792,508
Deferred tax liability	1,506,308	-	-
	1,506,308	-	1,792,508

Company			
Year ended 31 December 2017			
Assets			
Property, plant and equipment	-	-	141,057
Investment securities	98,565,835	-	-
	98,565,835	-	141,057

27. Capital management

The group's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk;
- to comply with the capital requirements set out by the group's bankers;
- to maintain an optimal capital structure to reduce the cost of capital.
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to maintain a strong asset base to support the development of business.

The group sets the amount of capital in proportion to risk. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders or adjust the amount of capital expenditure. Consistently with others in the industry, the group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divide by capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. share capital, retained earnings, revaluation reserve and subordinated loans).

27. Capital management (continued)

The gearing ratios for the period ended 31 December 2018 and 31 December 2017 were as follows:

	Group		Company	
	2018	2017	2018	2017
	TZS '000	TZS '000	TZS '000	TZS '000
Total borrowings	400,000	969,460	400,000	969,460
Less: Cash and cash equivalents (Note 20)	(614,749)	(1,611,347)	(610,394)	(1,600,278)
Net debt	(214,749)	(641,887)	(210,394)	(630,818)
Total equity	87,269,851	97,771,812	84,271,950	96,915,596
Gearing ratio	(0.00)	(0.01)	(0.00)	(0.01)

28. Segment information

The group has the following three business units which are its reportable segments. These business units offer different products and services, and are managed separately.

The following summary describe the operations of each reportable segment.

- **Investment business:** Acquire or establish and manage business enterprises in key sectors of the economy such as manufacturing industries, financial services, telecommunications, agriculture, mining and service sector. This is done by National Investments Public Limited Company (NICOL)
- **Slaughter business :** Custom slaughter of cattle, sheep's and goats. This is done by Tanzania Meat Company Limited (TMC).
- **Fish processing business:** Processing of Nile Perch fish into fish fillet for exports. This is done by Tanzania Fisheries Development Company. The company is in liquidation process.

No operating segments have been aggregated to form the above reportable operating segments. The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. Other than the allocation of costs there no transactions between the two units.

28. Segment information (continued)

Segment information about the group's operations is presented below:

2018 Income and expenses	Investment business TZS '000	Slaughter processing business TZS '000	Fish processing business TZS '000	Inter unit elimination TZS '000	Total TZS '000
Revenue	-	1,395,579	-	-	1,395,579
Finance income	2,538,906	-	-	-	2,538,906
Other income	1,262,368	2,980,162	-	-	4,242,530
Total revenue	3,801,273	4,375,741	-	-	8,177,014
Cost of sales	-	(813,144)	-	-	(813,144)
Administrative expenses	(1,548,345)	(896,794)	-	-	(2,445,139)
Other operating expenses	(147,479)	(581,147)	-	-	(728,626)
Finance expenses	(6,972)	-	-	-	(6,972)
Total expenses	(1,702,795)	(2,291,085)	-	-	(3,993,881)
Profit before tax	2,098,478	2,084,656	-	-	4,183,134

2017 Income and expenses	Investment business TZS '000	Slaughter processing business TZS '000	Fish processing business TZS '000	Inter unit elimination TZS '000	Total TZS '000
Revenue	-	1,935,233	-	-	1,935,233
Finance income	3,885,324	-	-	-	3,885,324
Other income	-	181,092	-	-	181,092
Total revenue	3,885,324	2,116,325	-	-	6,001,649
Cost of sales	-	(770,043)	-	-	(770,043)
Administrative expenses	(1,865,308)	(1,286,497)	-	-	(3,151,805)
Other operating expenses	(86,691)	(561,937)	-	-	(648,628)
Finance expenses	(249,608)	-	-	-	(249,608)
Total expenses	(2,201,607)	(2,618,477)	-	-	(4,820,084)
Profit/(loss) before tax	1,683,717	(502,152)	-	-	1,181,565

28. Segment information (continued)

2018	Investment business	Slaughter processing business	Fish processing business	Inter unit elimination	Total
Assets and liabilities	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Total assets	88,213,087	6,409,286	-	(816,332)	93,806,041
Total liabilities	3,941,137	3,323,065	88,320	(816,332)	6,536,190

2017	Investment business	Slaughter processing business	Fish processing business	Inter unit elimination	Total
Assets and liabilities	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Total assets	101,034,592	6,748,944	-	(594,069)	107,189,467
Total liabilities	4,118,996	5,804,407	88,320	(594,069)	9,417,654

29. Contingent liabilities

The group and company is a defendant in various legal actions. The existence of claims and litigation pending as per confirmations received by the group advocates have been provided for in these financial statements and mainly relate to:

- **Land Case No. 29 of 2018 Twiga Feeds Limited & another Vs National Investment Public Limited Company (Formerly National Investment Company Limited):** Twiga Feeds claiming inter alias that TZS 580,000,000 paid by NICOL to Social Action Trust Fund was NICOL contribution towards a joint venture investment project.
- **CMA/DSM/ILALA/431/11, National Investments Company Limited Vs. Kathleen Armstrong;** Deed of settlement signed on 24th June 2011, Kathleen Armstrong was rewarded a sum of USD 261,387. The application was lodged by NICOL seeking for an extension of time. The application is pending at the High Court of Tanzania Labour Division.

In the opinion of the Directors and after taking appropriate legal advice, the outcome of other actions will not give rise to any significant loss, apart from the above mentioned claims and litigation which are provided for in the financial statements.

30. Key Audit Matters

Acquisition of Property

- During the year the company entered into an agreement for purchase of a five storey unfinished building on a Plot No. 818, 1,200 Sqm in Msasani Peninsula for a cost of TZS 1.6 Billion. The management paid TZS 362,500,200 as deposit for the outstanding loan that the owner had with the bank. The balance is to be repaid in equal installments of TZS 20.83 Million for a period of 59 months effective from October 2018.

We agreed details of this transaction to the Company's board of directors approval, Valuer's report and the agreement with the seller. The tripartite sale agreement between the TIB bank which had custody of the title, the seller and the company was being finalised as of the time of sign of these financial statements.

31. Subsequent events

No subsequent event after the date of financial statements.

32. Incorporation

The company is incorporated in Tanzania and registered under the Companies Act as a limited liability company.

33. Presentation currency

These financial statements are presented in Tanzania Shillings (TZS.'000).



SCHEDULE OF EXPENDITURE

	Group		Company	
	2018	2017	2018	2017
	TZS.'000	TZS.'000	TZS.'000	TZS.'000
1. DIRECT COSTS				
Production costs	67,139	-		
Production tools	16,256	26,736	-	-
Repairs and maintenance	35,564	30,771	-	-
Fuel and lubricants	13,739	588	-	-
Uniform and protective equipment	25,371	13,759	-	-
Electricity and water	115,120	160,822	-	-
Cleaning expenses	26,127	24,583	-	-
Municipal levy	4,259	5,689	-	-
Salaries and wages	338,119	318,413	-	-
Other staff costs	139,876	124,591	-	-
Other direct costs	31,573	64,092	-	-
	813,144	770,043	-	-

2. ADMINISTRATIVE EXPENSES

Employment:

Salaries and wages	648,132	594,237	402,905	315,819
NSSF expenses	47,761	32,137	22,807	4,670
Gratuity	97,998	53,218	97,998	53,218
Interim manager expenses	-	90,380	-	90,380
Retirement expenses	34,599	75,012	-	-
Other staff costs	263,887	214,450	87,688	22,233
Total employment costs	1,092,378	1,059,433	611,399	486,320
Other administrative expenses:				
Travelling expenses	138,281	47,298	100,362	17,994
Hiring charges	13,652	26,586	-	-
Motor vehicles running expenses	56,654	70,644	11,910	-
Printing and stationery	24,073	25,863	6,190	8,421
Legal and professional fees	391,678	599,500	305,987	397,953
Re - listing expenses	68,951	350,558	68,951	350,558
Dividend processing fees	94,336		94,336	
Postage and telephone	25,906	27,702	13,678	12,216
Annual General Meeting	108,515	98,350	108,515	98,350
Directors expenses	121,017	134,026	64,585	61,376
Directors fees	87,600	69,600	54,000	36,000
Office expenses	32,636	28,542	6,919	3,849
Bank charges	11,110	12,433	3,464	3,531
Audit fees:				
- Current year	55,406	54,071	26,916	26,218
- Prior year	13,051	149,677	13,051	90,592
Fines and penalties	-	35,479	-	422
Advertisement expenses	42,665	25,684	40,894	19,488
Other expenses	23,889	30,464	-	-
Bad debts	5,376	53,873	-	-
TFDC Support expenses	17,190	252,021	17,190	252,021
Prior year Withholding tax assessment	20,774	-	-	-
Total other administrative expenses	1,352,760	2,092,371	936,946	1,378,988
Total administrative expenses	2,445,138	3,151,804	1,548,345	1,865,308

SCHEDULE OF EXPENDITURE

3. OTHER OPERATING EXPENSES

	Group		Company	
	2018	2017	2018	2017
	TZS.'000	TZS.'000	TZS.'000	TZS.'000
Office rent	72,018	163,952	55,764	53,877
Security expenses	59,264	44,716	7,340	7,320
Insurance expenses	16,204	4,546	6,859	1,770
Electricity and water	5,827	5,483	5,827	5,483
License and subscriptions	27,555	12,373	15,545	6,358
Repairs and maintenance	58,976	5,547	12,794	3,688
Amortisation of leasehold land	212,708	212,708	-	-
Depreciation of property, plant and equipment	276,074	199,303	43,349	8,195
Total other operating expenses	728,626	648,628	147,479	86,691





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