Afriprise Investment PLC

(Registration number 38280)

Financial statements

for the year ended 31 December 2024

Inside this Report

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

About this Report

The Afriprise Investment PLC Annual Report and Financial Statements 2024 provides a balanced and comprehensive overview of the Company's performance, reflecting our ongoing commitment to transparency, enhanced disclosure, and stakeholder engagement. The reporting period covers January to December 2024.

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), underscoring our dedication to accountability and best practices in financial reporting.

As a trusted financial services provider, Afriprise Investment PLC plays a vital role in supporting the economic growth of individuals, businesses, and nations. Our operations are guided by a commitment to socioeconomic development, ensuring that we create value for our stakeholders while contributing positively to society.

The 2024 Financial Statements were independently audited by Crowe Tanzania Ltd, reaffirming the accuracy and reliability of our financial disclosures.

This report reflects our strategic vision, operational achievements, and steadfast focus on delivering sustainable shareholder value.

Where to find more information:

Find relevant information in this report

Read more on our website at www.afriprise.co.tz

Corporate Information

Afriprise Investment PLC

(Incorporated in the United Republic of Tanzania)
Registration number: 38280
Tax reference number: 103-410-444

Country of incorporation and domicile:	United Republic of Tanzania
Nature of business and principal activities:	Investment in stocks, shares and bonds
Directors:	Fortunatus Makore Magambo Prof. Lucian A. Msambichaka Joseph Matanga Kahungwa Magdalene N. E. Mkocha Nathan E. Mnyawami Valentino Maganga Daudi Vincent Bruno Minja
Registered office:	24th Floor PSSSF Millennium Tower II, Bagamoyo road, Kijitonyama, Dar es Salaam.
Postal address:	P. O. Box 72678 Dar es Salaam Tanzania
Bankers:	CRDB Bank Plc P.O. Box 2302 Dar es Salaam
Auditors:	Crowe Tanzania Certified Public Accountants in Public Practice Dar es Salaam
Secretary:	Peter William Kifunguomali

INVEST IN TANZANIA

Chairman's Statement

Introduction

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of AFRIPRISE Investment Public Limited Company (AFRIPRISE) for the year ended 31 December 2024.

Reflecting on our journey, I am reminded that "transformation is not a future event, it is a present activity." 2024 has marked a turning point for AFRIPRISE — a year defined by strategic consolidation, bold execution, and sustainable value creation.

We began the year with clarity of purpose: to accelerate the gains from our rebranding and capitalize on new investment opportunities across the East African region and the SADC bloc. Building upon the momentum of the successful rights issue in 2023, which raised TZS 10 billion, this year saw significant milestones in project implementation, asset restructuring, and regional market positioning

Business Performance and Sustainability

In a dynamic and competitive business environment, AFRIPRISE remained resilient and adaptive. Our focus on inclusive and sustainable growth has driven the pursuit of efficient, safe, and environmentally sound investment strategies. We continued aligning our operations with the national development goals agenda, ensuring that every investment contributes to shareholder returns and socio-economic impact.

Dividend Declaration

In recognition of the company's strong performance and consistent earnings, the Board of Directors is pleased to recommend a dividend of TZS 18 per share for the year ended 31 December 2024. This recommendation is subject to shareholders' approval at the upcoming Annual General Meeting. This dividend reflects our financial strength and reaffirms our commitment to delivering value to our shareholders.

Strategic Outlook

Looking ahead, AFRIPRISE is focused on expanding its investment portfolio into high-impact sectors, including agribusiness, infrastructure, fintech, and climate-smart technologies. We are poised to become a leading regional investment platform with a stronger capital base, streamlined governance, and enhanced partnerships. Our ambition is clear: to be a catalyst for transformation across Africa.

Appreciation

None of these achievements would have been possible without our stakeholders' unwavering support and collaboration. I sincerely thank our shareholders for their trust, our customers and partners for their confidence, and the regulators for their oversight and engagement. Most importantly, I acknowledge the dedication and integrity of the AFRIPRISE management team and the renewed energy of our Board of Directors.

"Let us continue sowing seeds of progress, for the harvest ahead promises shared prosperity."

Thank you.

Fortunatus Makore Magambo
Chairman of the Board
AFRIPRISE Investment PLC

Date: 30 June, 2025

Chief Executive Officer's Statement

I am pleased to present the Chief Executive Officer’s statement on the financial results of AFRIPRISE Investment Public Limited Company for the year ended 31 December 2024.

Introduction

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

Financial Performance

The company has maintained steady growth with an increase in revenue and investments. Financial performance data for 2024 along with comparative figures for 2023 are given below:

Details	2024	2023
Operational revenues	4,219,666,000	3,086,834,000
Operational expenses	1,172,578,000	1,049,723,000
Net profit /(loss) after tax	3,395,505,000	1,976,343,000
Shareholder's equity	52,548,489,000	47,524,928,000
Total assets	52,683,012,000	49,994,556,000
Earnings per share	23	24

Investment Portfolio and Return on Investment

Our investment diversification plan led to substantial achievements, including investments in stocks listed on theNairobi Securities Exchange. The company's net assets worth TZS 52 billion. The company's net assets grew by 10% compared to net assets worth of TZS 47 billion as at 31 December 2023. As a result, the company's net asset annual average growth rate is 10%. Investment portfolio increased by 19% from 42 billion as at 31 December2023. As a result, the company's total investment portfolio as at 31 December 2024 is TZS 49 billion. Most investments are in government securities at 32%, equities at 63% and 5% in other assets. The significant performance of the company is highly attributed to the operational efficiency of the company and its diversification strategy.

Earnings per share of the company is TZS 23.33 as compared to TZS 23.71 in December 2023. The increase inprior year was due to rights issue of shares that increased the number of shares by 100%.

Furthermore, the return on Investment of the company is 7% as compared to 5% in December 2023 due to more investments during current year expecting to earn more return in subsequent years.The distribution of the investment portfolio of the company as of 31 December 2024 is summarised in the table as follows (the figures are rounded to the nearest thousand):

Investment category	2024	%	2023	%
Government securities	15,680,721	32	15,037,876	36
Equity investments	30,949,793	63	25,357,243	61
Short term deposits	305,000	1	305,000	1
Investment property	212,112	1	221,347	-
Corporate bonds and other financial assets	2,050,000	3	750,000	2
	49,197,626	**100**	**41,671,466**	**100**

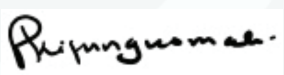
Business Outlook

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

Conclusion

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

Thank you.



Peter William Kifunguomali,
Chief Executive Officer

Date: 30 June, 2025

Sustainability Report

Introduction

This sustainability report outlines the efforts and achievements of AFRIPRISE Investment Public Limited Company in promoting sustainability and responsible investment practices. Our commitment to environmental, social, and governance (ESG) principles guides our operations and investment decisions. This report covers the key sustainability initiatives undertaken during the fiscal year 2024.

Environmental Responsibility

1. Energy Efficiency

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

Social Responsibility

1. Community Engagement

- We have a donation program where part of our profits is donated to local charities and community projects, focusing on education and healthcare.
- Our employees participated in volunteer work, supporting various community initiatives.

2. Employee Welfare

- We provide comprehensive health and wellness programs for our employees, including mental health support and regular health check-ups.
- Our commitment to diversity and inclusion is reflected in our workforce, with 50% of our employees being women. There is also women representation in the Board of Directors.

Governance

1. Ethical Investment

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

2. Transparency and Accountability

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

Sustainability Goals for Next Year

1. Environmental

- Achieve a further reduction in energy consumption through advanced energy management systems.
- Increase the proportion of investments in renewable energy projects.

2. Social

- Expand our community engagement program to include partnerships with educational institutions for scholarship programs.
- Enhance our employee training programs to include more robust career development opportunities.

3. Governance

- Strengthen our ESG assessment criteria to include more stringent measures for social impact.
- Improve our stakeholder engagement process to incorporate feedback and suggestions into our sustainability strategy.

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

Report by Those Charged with Governance

The members charged with governance (directors) have pleasure in submitting their report on the financial statements of AFRIPRISE Investment Public Limited Company (the 'Company') for the year ended 31 December 2024. The report highlights the company's state of affairs for the year ended 31 December 2024.

1. Incorporation

AFRIPRISE Investment Public Limited Company (AFRIPRISE) is incorporated in Tanzania under the Companies Act 2002 as a public limited liability company. The company is listed on the Dar es Salaam Stock Exchange and is domiciled in the United Republic of Tanzania.

2. Nature of business

The core activities of the company are that of investments management, focusing on investment in equities of listed companies including retail bonds issued by companies which have a proven profitability track record and government securities and investment in warehousing facilities located in strategic areas. In addition, the company encourages the development of a savings culture among its shareholders by means of investing in equities of strong performing companies.

VISION

To be the premier provider of investment management in Tanzania.

Tagline:

Together we are stronger.

CORE VALUES

- *Accountability,*
- *Commitment,*
- *Team work,*
- *Trustworthy and;*
- *Innovation.*

MISSION

To create long term value to our shareholders by providing relatively superior returns guided by safe and sound investment.

Report by Those Charged with Governance

6. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002. The accounting policies have been applied consistently compared to the prior year.

The company recorded a net profit after tax for the year ended 31 December 2024 of TZS 3,395,505,000. This being a turnaround from the net profit after tax of the prior year of TZS 1,976,343,000.

Company revenue increased by 37% from TZS 3,086,834,000 in the prior year to TZS 4,219,666,000 for the year ended 31 December 2024. The increase in revenue is attributed to an increase in dividend income as result of the continued board's decision to diversify the company's investments portfolio during the year.

7. Share capital

	2024	2023
Authorised	Number of shares	
Ordinary shares	5,000,000,000	5,000,000,000

	2024	2023	2024	2023
Issued	**TZS '000**	**TZS '000**	**Number of shares**	
Ordinary shares	2,918,306	2,918,306	145,915,320	145,915,320
Share premium	9,828,506	9,828,506	-	-
	12,746,812	**12,746,812**	**145,915,320**	**145,915,320**

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

8. Dividends

The board of directors recommends payment of a final dividend of TZS 18 per share, amounting to TZS 2,626,475,760 (2023: TZS 13 per share, amounting to TZS 1,896,899,160).

9. Strategic objectives

Increase shareholder's value; with the objective of enhancing the ability of the company to consistently meet and manage shareholders' expectations. The strategic results are an increased value of shares and company growth.The company targets to form subsidiary companies and diversify its portfolio from traditional investment avenues.

Investment excellence; aiming at improving the net worth of the company through enhancing resources mobilization, increase investment income. The company plans to have investment income increased by 22% annually.

Operational excellence; with the aim of improving internal processes using dedicated staff and appropriate technology in order to enhance operational efficiency; improve internal customer service delivery; enhance institutional compliance; enhance corporate culture creation; enhance staff welfare, and improve staff competence and productivity. The Company plans to achieve an excellence operational ratio of 95 percent.

10. Directorate

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

Directors	Position	Qualification	Nationality	Changes
Fortunatus Makore Magambo	Board Chairman	Economist	Tanzanian	
Prof. Lucian A. Msambichaka	Member	Economist	Tanzanian	
Joseph Matanga Kahungwa	Member	Accountant	Tanzanian	
Magdalene N. E. Mkocha	Member	Agric-Economist	Tanzanian	
Nathan E. Mnyawami	Member	Economist	Tanzanian	
Ernest R. Khisombi	Member	Procurement and supplies	Tanzanian	*Resigned Saturday, 23 November 2024*
Paul F. Koyi	Member	Information Technology	Tanzanian	*Resigned Saturday, 23 November 2024*
Vicent Bruno Minja	Member	Accountant	Tanzanian	*Appointed Saturday, 23 November 2024*
Valentino Maganga Daudi	Member	Lawyer	Tanzanian	*Appointed Saturday, 23 November 2024*

11. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. Secretary

The company secretary as at 31 December 2024 and during the year was Peter William Kifunguomali.

13. Political and charitable donations

As a matter of policy, the company does not make political contributions. During the year 2024, charitable donations amounting to TZS 5,000,000 were made by the company (2023: NIL).

14. Risk management and internal control

The Board accepts final responsibility for risk management and internal control system of the company. The management ensures that adequate financial and operational controls systems are maintained ongoing basis. The objective is to provide reasonable assurance on the following

Report by Those Charged with Governance

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's system is designed to provide the directors with reasonable assurance that procedures in place are operating effectively. The directors have assessed the internal control system and generally satisfied as explained below.

The company has various policies through which it manages its risks. On the other hand, the company has an outsourced internal audit function which reports to the board audit committee through which the board monitors and directs corrective measures on the internal control environment.

Risk and internal control assessment

The company invests in the following principal financial assets and liabilities. Financial assets include treasury bonds, corporate bonds, loans, fixed deposits and equities. Financial liabilities include trade and other payables.The main purpose of these financial assets is to generate income to the company.

The main financial risks facing the company include: -

Interest risk

Interest risk is a market risk emanating from changes in value of assets of the company as a result of adverse price movement for investments held by the company. Investment in long term government securities with fixed income is one way of mitigating interest rate risk in volatile markets.

Liquidity risk

Liquidity risk is the risk of failing to meet obligations when they fall due. Liquidity risk may also arise from inability to sell financial assets quickly at close to its fair value. The company is exposed to daily calls on its available cash for dividend payment and other administrative expenses. The company manages liquidity risk by maintaining a pool of short-term placements with banks which is adequate to meet its obligations for investment commitments and administrative expenditure. The company carries out monthly cash flow projection. Main sources of funds include dividends from invested companies and income from investments.

Credit risk

Credit risk is the risk that the counterpart to any financial transaction may not be able to fulfils its obligation on due date. In order to minimize credit risk, the company has developed investment policy in investments appraisals and approval processes are in place to mitigate this risk.

Operational Risk

Operational risks result from inadequate systems, management failures, ineffective internal control processes, fraud, theft and human errors. The company addresses this risk inter alia through ensuring existence of sound internal control system. Main instruments of the internal control system include operational and procedural manuals, policies and guidelines, and outsource internal audit function. Managing operational risks in the company is an integral part of day to day operations by the management. The management, outsource internal audit, audit

Report by Those Charged with Governance

committee and the board of directors, are actively involved in monitoring process.

Human Resources Risk

The nature of the activities of the company calls for a multidisciplinary team of staff with specialized knowledge in the key operational areas. The lean staff structure of the company poses a high staff turnover. In order to address this risk, the company ensures that it invests in capacity building for its staff members, revises its compensation structure periodically.

Reputation Risk

The company has an obligation to ensure that it performs its functions and maintains its reputation as among listed companies operating in applicable laws and regulations. In this endeavour, the board and management ensure that they fulfills their fiduciary responsibilities by applying principles of sound corporate governance and adopting best practices.

15. Directors' interests in shares

As at 31 December 2024, the directors of the company held direct and indirect beneficial interests of its issued ordinary shares, as set out below.

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

- Fortunatus Magambo representing Public Service Social Security Fund which holds a total of 65,661,894 shares.

16. Corporate governance

The board assumes overall responsibility for the company. This includes, among other things, identification of risks which may negatively impact on the company's operations, considering and monitoring major investment decisions. The board is also responsible for ensuring that comprehensive and effective internal control policies and procedures are in place, effectively applied and are in compliance with acceptable corporate good governance principles.
During the year under review the board met six (6) times, of which three (3) were ordinary meetings and three (3) extra ordinary/special meetings held for the purpose of attending special activities which required the Board's attention. The board has delegated the day to day management of the company's operations to the Chief Executive Officer who is supported by the management team. The management is invited to attend board meetings and facilitate the effective control of the company's activities. The extra-ordinary meetings included discussion and approval of the annual plan and budget, annual audited accounts and new projects.

Interests in shares

Directors	2024	2023
	Direct	**Direct**
Prof. Lucian A. Msambichaka	131,760	131,760
Joseph Matanga Kahungwa	81,200	81,200
Magdalene N. E. Mkocha	204,724	204,724
Nathan E. Mnyawami	42,150	42,150
	459,834	**459,834**

Report by Those Charged with Governance

Board of directors and attendance in 2024:

Directors	Position	Total Meetings	No. of Meetings Attended
Fortunatus Makore Magambo	Chairman	6	6
Prof. Lucian A. Msambichaka	Member	6	6
Joseph Matanga Kahungwa	Member	6	6
Magdalene N. E. Mkocha	Member	6	6
Nathan E. Mnyawami	Member	6	6
Paul F. Koyi	Member	6	2
Ernest R. Khisombi	Member	6	6

All the directors are considered by the board to be independent both in character, judgment, and free of relationships or circumstances, which could affect their judgment. All the directors are considered to have behaved and acted ethically in the discharge of their fiduciary responsibilities.

The board is aware and committed to the principles of effective corporate good governance. During the year under review, the board utilized two board committees to enable the board to meet high standards of good corporate governance and also take timely decisions in respect of company matters. The two committees were:

- The Investment Committee, which is composed of three Members.
- The Audit and Risk Management Committee, which is composed of three Members.

The Members of the Investment Committee were:

Prof. Lucian A. Msambichaka	Chairman
Nathan E. Mnyawami	Member
Paul F. Koyi	Member

The Investment committee held four (4) meetings to discuss the quarterly performance reports and investment proposal before the presentation of the reports to the board for discussion and decision.

The Members of the Audit and Risk Management Committee were:

Joseph M. Kahungwa	Chairman
Ernest R. Khisombi	Member
Magdalene N. E. Mkocha	Member

Report by Those Charged with Governance

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

Main activities performed by the Board during the year 2024

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

- Reviewing the company's quarterly internal audit and investment performance reports;
- Reviewing various ways for reduction of operating costs and adding up income;
- Preparation and approval of the annual plan and budget for 2025.
- Analysing proposals for new business ventures.
- Assessment of strategic, operational, financial, and reputation risks.
- Assessment on ESG (Environmental, Social, and Governance) compliance.

17. Compliance with laws and regulation

The company has continued to maintain good relationship with its key stakeholders. The company also maintained good relationships with Tanzania Revenue Authority, Capital Markets and Securities Authority, Dar es Salaam Stock Exchange, Brokers and the commercial banks. During the year, the company complied with all regulations and guidelines issued by various regulatory authorities.

18. Reliability of accounting records and financial statements

The Company has a competent staff in Accounts and Finance. Accordingly, proper books of accounts have been maintained and the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

19. The company's capital structure

The Company's authorized share capital is TZS 100,000,000,000 divided into shares with a par value of TZS 20 as of 31 December 2024. The paid-up capital of the company consists only ordinary shares at the end of 31 December 2024 the paid-up capital amounted to TZS 12,746,812,000.

	Company	
	2024	2023
	TZS '000	TZS '000
Authorized		
5,000,000,000 ordinary shares of TZS 20 each	100,000,000	100,000,000
Issued, subscribed and paid up		
145,915,320 (2023: 145,915,320) ordinary shares of TZS 20 each	2,918,306	2,918,306
Share premium	9,828,506	9,828,506
	12,746,812	**12,746,812**

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

Report by Those Charged with Governance

20. Stock exchange information

The Company is listed on the Dar es Salaam Stock Exchange (DSE). The share price as at 31 December 2024 was TZS 215 (December 2023: TZS 190) and market capitalization was TZS 31,371,793,800 (December 2023: TZS 27,723,911,000).

21. Sustainable business

The Directors' discussions on sustainable growth do not focus solely on financial metrics. The Board considers it critical that we monitor and respond to broader issues of sustainability, including climate change and responsible sourcing so that our business is well placed to succeed in the years ahead. We also believe in promoting sustainable environment-friendly initiatives undertaking through avoiding financing/project, business(es), which may be a threat to the environment despite their financial viability; Encourages the employees and other stakeholders to develop, practice & promote for developing & using Environment-friendly Technology; Encourages AFRIPRISE to embrace E-Commerce; Develops the attitude among the employees to motivate, encourage the stakeholders through initializations of appropriate in house environmental risk management system through the introduction of appropriate technology; Promotes awareness programs for environment-friendly technology through the practice of Corporate Social Responsibilities (CSR).

22. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

23. Employees' welfare

The Company has the following employees' welfare arrangements:

Training

The company offers sponsorship to its employees in short-term courses within and outside the country on various disciplines depending on the corporate needs and financial resources available. The Company supports also employees' own initiatives for long-term training.

Staff loans and advances

The company provides salary advances to enable them to overcome financial needs and promote their economic development. Salary advances are based on specific terms and conditions approved by the Board and are issued in accordance with the annual approved budget.

Financial assistance

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

Retirement benefits

The company pays contributions to the publicly administered pension plans which include the Public Service Social Security Fund (PSSSF) on a mandatory basis on behalf of all employees.

Persons with disabilities

The company gives equal opportunities to disabled persons for vacancies they are able to fill.

Report by Those Charged with Governance

Medical facilities

The company entered into a contract with National Health Insurance Fund to provide medical insurance scheme for its employees and their immediate family dependents.

24. Gender Parity

As at 31 December 2024, the company had 6 employees (2023:6); out of which 3 were male and 3 were female (2023: male 3, female 3).

25. Environmental, Social and Governance

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

26. Future development activities

Since 2018 the directors decided to start gradually diversifying the company's investment portfolio by investing in other products that have hitherto not been covered. Since the company commenced operations in October 2005, more than 95% of the investment portfolio was in the form of equities of listed companies. The Board decided to target investment in fixed income financial instruments (government securities, retail bonds, and interest-earning fixed bank deposits). The directors believe that investment in these incomes earning financial instruments offers a good trade-off especially when the equity market is less attractive as is the case now and the return on these investments is readily predictable. The board has therefore decided to continue on this path, specifically because the return is more attractive and predictable than in the case of dividend income.

Lastly, the board is also exploring other business opportunities including import and export business, industrial sector and other financial products such as bond trading.

27. Safeguarding of company's assets

The directors are responsible for safeguarding the assets of the company. The board has approved various policies and regulations including but not limited to financial regulations, and investments policy in order to strengthen the internal control environment. These are reviewed from time to time to align with the dynamics of the operating environment. The directors are pleased to report that during the year under review no material incidences of fraud were encountered.

28. Related party transactions

All related party transactions and balances are disclosed in note 35 to the financial statements.

Report by Those Charged with Governance

29. Responsibility of those charged with governance

It is directors' responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and applicable rules, regulations and legal provisions. The directors also confirm compliance with the provisions of the requirements of Tanzania Financial Reporting Standard 1 (TFRS 1) and all other statutory legislations relevant to the company.

The financial statements set out on pages 22 to 64, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement, and were signed on its behalf by:

Fortunatus Makore Magambo **Director**	**Prof. Lucian A. Msambichaka** **Director**
Date **Monday, 30 June 2025**	**Date** **Monday, 30 June 2025**

Statement of Directors' Responsibilities

The directors are required in terms of the Companies Act 2002 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company’s cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 19 to 21.

The financial statements set out on pages 22 to 68, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement and were signed on their behalf by:

Fortunatus Makore Magambo **Chairman**	**Prof. Lucian A. Msambichaka** **Director**
Date: Monday, 30 June 2025	**Date: Monday, 30 June 2025**

Declaration of the Head of Finance and Accounting

Declaration of the Head of Finance/Accounting of AFRIPRISE Investment Public Limited Company

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

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as stated under the Statement of Directors' Responsibilities on an earlier page.

I, Joel Chikoma being the Head of Finance/Accounting of AFRIPRISE Investment Public Limited Company at 31 December 2024 and for the year then ended hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of AFRIPRISE Investment Public Limited Company as on that date and that they have been prepared based on properly maintained financial records.

Name: Joel Chikoma

Signature: ______________________

Position: Head of Finance

NBAA Membership No: ACPA3285

Date: 30/06/2025

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Report of the Independent Auditor

To the shareholders of AFRIPRISE Investment Public Limited Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AFRIPRISE Investment Public Limited Company (the company) set out on pages 22 to 68, which comprise the Statement of Financial Position as at 31 December 2024, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of AFRIPRISE Investment Public Limited Company as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises Report by Those Charged with Governance Chairman's Statement, Chief Executive Officer's Statement, Statement of Directors' Responsibilities and Declaration of the Head of Finance and Accounting, which we obtained prior to the date of signing this report. The other information does not include the financial statements and our auditor's report thereon.

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

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

Crowe

Report of the Independent Auditor

To the shareholders of AFRIPRISE Investment Public Limited Company

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Crowe

Report of the Independent Auditor

To the shareholders of AFRIPRISE Investment Public Limited Company

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

This report, including opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act 2002 and for no other purposes. As required by the Companies Act 2002, we report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion proper books of accounts have been kept by the company, so far as appears for our examination of the books;
- The company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts;
- The Report by Those Charged with Governance is consistent with the financial statements; and
- Information specified by law regarding directors' remuneration and transactions with the company is disclosed.

CPA Christopher Msuya
ACPA-PP 1076
For and on behalf of Crowe Tanzania
Certified Public Accountants in Public Practice
Dar es Salaam

Date: 30 June 2025

Statement of Financial Position as at 31 December 2024

	Note(s)	2024 TZS '000	2023 TZS '000
Assets			
Non-Current Assets			
Property, plant and equipment	4	115,766	109,068
Investment property	5	212,112	221,347
Right of use asset	8	40,553	59,711
Intangible assets	6	1,027	3,040
Loans receivable	7	47,957	73,173
Equity investments	10	30,949,793	25,357,243
Investment in government securities	9	15,680,721	15,037,876
Other financial assets	12	1,200,000	600,000
		48,247,929	**41,461,458**
Current Assets			
Loans receivable	7	36,340	28,954
Trade and other receivables	14	669,164	1,036,105
Current tax receivable		333,423	308,164
Other financial assets	12	1,155,000	455,000
Cash and cash equivalents	15	2,241,156	6,704,875
		4,435,083	**8,533,098**
Total Assets		**52,683,012**	**49,994,556**
Equity and Liabilities			
Equity			
Share capital	16	12,746,812	12,746,812
Reserves		14,912,266	12,559,826
Retained income		24,889,411	22,218,290
		52,548,489	**47,524,928**
Liabilities			
Non-Current Liabilities			
Borrowings	17	-	1,885,443
Deferred tax	13	1,784	1,784
Lease liability	18	-	32,944
		1,784	**1,920,171**
Current Liabilities			
Trade and other payables	19	36,539	200,758
Borrowings	17	-	272,398
Dividend payable	20	47,406	51,922
Lease liability	18	48,794	24,379
		132,739	**549,457**
Total Liabilities		**134,523**	**2,469,628**
Total Equity and Liabilities		**52,683,012**	**49,994,556**

The financial statements and the notes on pages 22 to 64, were approved by the board of directors on the date of this statement and were signed on its behalf by:

Fortunatus Makore Magambo
Director
Date: Monday, 30 June 2025

Prof. Lucian A. Msambichaka
Director
Date: Monday, 30 June 2025

AFRIPRISE Investment Public Limited Company

(Registration number 38280)
Financial Statements for the year ended 31 December 2024

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2024 TZS '000	2023 TZS '000
Income	21	4,219,666	3,086,834
Other operating income	22	466,937	159,304
Other operating gains (losses)	23	-	184,951
Operating expenses	24	(1,172,578)	(1,049,723)
Operating profit		**3,514,025**	**2,381,366**
Finance costs	27	(10,079)	(345,233)
Profit before taxation		**3,503,946**	**2,036,133**
Taxation	28	(108,441)	(59,790)
Profit for the year		**3,395,505**	**1,976,343**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on valuation of investments in equity instruments		3,533,903	4,181,980
Other comprehensive income for the year net of taxation		**3,533,903**	**4,181,980**
Total comprehensive income for the year		**6,929,408**	**6,158,323**
Basic and diluted earnings per share		**23.33**	**23.71**

The accounting policies on pages 26 to 41 and the notes on pages 42 to 64 form an integral part of the financial statements.

AFRIPRISE Investment Public Limited Company

(Registration number 38280)
Financial Statements for the year ended 31 December 2024

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Fair valuation reserve	IPO Cost	Total (Reserves and IPO Cost)	Retained income	Total equity
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Balance at 1 January 2023	**1,459,153**	**708,799**	**2,167,952**	**9,512,950**	**(629,662)**	**8,883,288**	**21,277,813**	**32,329,053**
Profit for the year	-	-	-	-	-	-	1,976,343	1,976,343
Other comprehensive income	-	-	-	4,181,980	-	4,181,980	-	4,181,980
Total comprehensive income for the year	**-**	**-**	**-**	**4,181,980**	**-**	**4,181,980**	**1,976,343**	**6,158,323**
Issue of shares	1,459,153	9,119,707	10,578,860	-	-	-	-	10,578,860
IPO costs on right issue	-	-	-	-	(599,426)	(599,426)	-	(599,426)
Transfer between reserves	-	-	-	93,984	-	93,984	(87,416)	6,568
Dividends	-	-	-	-	-	-	(948,450)	(948,450)
Total changes	**1,459,153**	**9,119,707**	**10,578,860**	**93,984**	**(599,426)**	**(505,442)**	**(1,035,866)**	**9,037,552**
Balance at 1 January 2024	**2,918,306**	**9,828,506**	**12,746,812**	**13,788,914**	**(1,229,088)**	**12,559,826**	**22,218,290**	**47,524,928**
Profit for the year	-	-	-	-	-	-	3,395,505	3,395,505
Other comprehensive income	-	-	-	3,533,903	-	3,533,903	-	3,533,903
Total comprehensive income for the year	**-**	**-**	**-**	**3,533,903**	**-**	**3,533,903**	**3,395,505**	**6,929,408**
Transfer between reserves	-	-	-	(1,181,463)	-	(1,181,463)	1,181,463	-
Dividends	-	-	-	-	-	-	(1,905,847)	(1,905,847)
Total changes	**-**	**-**	**-**	**(1,181,463)**	**-**	**(1,181,463)**	**(724,384)**	**(1,905,847)**
Balance at 31 December 2024	**2,918,306**	**9,828,506**	**12,746,812**	**16,141,354**	**(1,229,088)**	**14,912,266**	**24,889,411**	**52,548,489**
Note(s)	16	16	16					

Statement of Cash Flows

	Note(s)	2024 TZS '000	2023 TZS '000
Cash flows from operating activities			
Cash generated from operations	29	3,786,230	1,296,072
Finance costs		(10,079)	(345,233)
Tax paid	30	(133,700)	(80,958)
Net cash from operating activities		**3,642,451**	**869,881**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(37,467)	(16,926)
Sale of investment property	5	9,235	-
Acquisition of right of use asset	8	(74,866)	(57,323)
Disposal of right of use asset	8	57,322	-
Purchase of intangible assets	6	-	(2,055)
Movement in government securities		(642,845)	(1,549,229)
Movement in equity investments		(5,592,550)	(3,214,829)
Movement in loans receivable		17,830	(40,399)
Acquisition of other investments		(1,300,000)	(570,000)
Net proceeds on disposal of equity investments		3,533,904	1,951,047
Net cash from investing activities		**(4,029,437)**	**(3,499,714)**
Cash flows from financing activities			
Proceeds on share issue	16	-	10,578,860
Movement in borrowings		(2,157,841)	(239,101)
Movement in lease liability		(8,529)	26,720
Dividends paid	31	(1,910,363)	(1,226,956)
Net cash from financing activities		**(4,076,733)**	**9,139,523**
Total cash movement for the year		**(4,463,719)**	**6,509,690**
Cash at the beginning of the year		6,704,875	195,185
Total cash at end of the year	15	**2,241,156**	**6,704,875**

The accounting policies on pages 26 to 41 and the notes on pages 42 to 64 form an integral part of the financial statements.

Accounting Policies

Corporate information

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

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

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on date of this report.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and the Companies Act 2002.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Average useful life
Land	Indefinite

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Accounting Policies

1.3 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

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

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Accounting Policies

1.4 Intangible assets

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

Intangible assets are initially recognised at cost.

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

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

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

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

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

Item	Average useful life
Computer software	4 years

Accounting Policies

1.5 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial liabilities:

- Amortised cost

Note 36 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Accounting Policies

Financial instruments (continued)

Debt instruments

Classification

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

They have been classified in this manner because the contractual terms of these debt instruments give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the objectives of the company's business model is achieved by collecting the contractual cash flows on these instruments.

Recognition and measurement

These debt instruments are recognised when the company becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortized cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 21).

The application of the effective interest method to calculate interest income on debt instruments at amortized is dependent on the credit risk of the instrument as follows:

- The effective interest rate is applied to the gross carrying amount of the instrument, provided the instrument is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a debt instrument is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the instrument, even if it is no longer credit-impaired.
- If a debt instrument was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the instrument in the determination of interest. If, in subsequent periods, the instrument is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on all debt instruments measured at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a debt instrument has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12 month expected credit losses (12 month ECL).

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

Accounting Policies

Financial instruments (continued)

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a debt instrument being credit impaired at the reporting date or of an actual default occurring.

Definition of default

For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterpart, or if internal or external information indicates that the counterpart is unlikely to pay its creditors in full (without taking collateral into account).

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

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the instrument at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Debt instruments are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the instrument, external credit ratings (if available), industry of counterpart etc. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the company has measured the loss allowance for a debt instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date.

An impairment gain or loss is recognised for these debt instruments in other comprehensive income.

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

Credit risk

Details of credit risk related to debt instruments at fair value through other comprehensive income are included in the specific notes and the financial instruments and risk management (note 36).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Accounting Policies

Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 14).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Accounting Policies

Financial instruments (continued)

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance.

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

Credit risk

Details of credit risk are included in the trade and other receivables note (note 14) and the financial instruments and risk management note (note 36).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Accounting Policies

Financial instruments (continued)

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 10. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the company may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments) , depending on their classification. Details of the valuation policies and processes are presented in note 10&11.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 23).

Dividends received on equity investments are recognised in profit or loss when the company's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 21).

Accounting Policies

Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 19), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 27).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 36 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting Policies

Financial instruments (continued)

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.6 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:
- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Company as lessee

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantee;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right of use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

Accounting Policies

1.7 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right of use asset

Right of use asset are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:
- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

When the company incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position

Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

As an exception, when the underlying assets are land and buildings. the company adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the company. The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the company expects to exercise a purchase option, the related right Of use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Leases are classified in accordance with the provisions of IFRS 16. Leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the company's incremental borrowing rate.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.8 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

Accounting Policies

1.8 Impairment of assets (continued)

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Accounting Policies

1.10 Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to the National Social Security Fund (NSSF) and Public Services Social Security Fund (PSSSF), which are publicly, administered pension plans, on a mandatory basis and are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.11 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 33.

Accounting Policies

1.12 Income

The company recognises revenue from the following major sources:

- Interest from government securities and retail bonds
- Interest from fixed deposit and call accounts
- Dividend from equity investments
- Capital gain from sale of government securities and equity investments

1.13 Borrowing costs

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

1.14 Dividend distribution

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

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

2. Earnings per share

In prior year, the company announced a rights issue of one (1) new ordinary share for every one (1) share held at 13.79% discounted offer price of TZS 145 per share. The rights issue offer was successfully closed on 1 December 2023. The bonus element as a result of rights issue at discounted offer price has been taken into consideration in Earning Per Share (EPS) computation. The weighted average number of shares for both basic and diluted EPS has been adjusted retrospectively in compliance with IAS 33 - Earnings Per Share. During the year no right issue announcement was made.

The calculation of the basic earnings per share was based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year, calculated as follows;

Net profit attributable to shareholders	3,404,739	1,976,343
Weighted average number of shares	145,915,320	83,352,165
Basic and diluted earnings per share	23.33	23.71

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

Notes to the Financial Statements

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS S2 Climate-related Disclosures

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

The effective date of the standard is for years beginning on or after 01 January 2024.

The company has adopted the standard for the first time in the 2024 financial statements.

The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements.

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

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

The company has adopted the amendment for the first time in the 2024 financial statements.

The impact of the amendment is not material.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

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

The company has adopted the amendment for the first time in the 2024 financial statements.

The impact of the amendment is not material.

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

Notes to the Financial Statements

3. Notes to the financial statements (continued)

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

The effective date of the standard is for years beginning on or after 01 January 2024..

The company has adopted the standard for the first time in the 2024 financial statements.

The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements.

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2024 or later periods:

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.

Annual Improvements to IFRS Accounting Standards - Volume 11 - Hedge Accounting by a First-time Adopter - Amendment to reduce inconsistency in wording of the requirements in IFRS 9 Financial Instruments in relation to hedge accounting requirements for a first-time adopter.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The company expects to adopt the amendment for the first time in the 2026 financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

This is a new standard which may be applied by subsidiaries which do not have public accountability. It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS accounting standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated, separate or individual financial statements, provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS accounting standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The effective date of the amendment is for years beginning on or after 1 January 2027.

Notes to the Financial Statements

3. Notes to the financial statements (continued)

The company expects to adopt the amendment for the first time in the 2027 financial statements.

The impact of this amendment is currently being assessed.

IFRS 18 Presentation and Disclosure in Financial Statements

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the amendment is for years beginning on or after 1 January 2027.

The company expects to adopt the amendment for the first time in the 2027 financial statements.

The impact of this amendment is currently being assessed.

Amendments to IFRS 7 Financial Instruments: Disclosures

Annual Improvements to IFRS Accounting Standards - Volume 11 - Gain or loss on derecognition - Amendment to delete an obsolete reference that remained in IFRS 7 after the publication of IFRS 13 Fair Value Measurement, as well as to improve consistency of wording of the requirements of IFRS 7 with IFRS 13 concepts regarding disclosure of a gain or loss on derecognition.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The company expects to adopt the amendment for the first time in the 2026 financial statements.

The impact of this amendment is currently being assessed.

Amendments to IFRS 9 Financial Instruments

Annual Improvements to IFRS Accounting Standards - Volume 11 - Derecognition of lease liabilities. The amendment clarifies that if a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss in profit or loss.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The company expects to adopt the amendment for the first time in the 2026 financial statements.

The impact of this amendment is currently being assessed.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

The amendments clarify the classification of financial assets with environmental, social and corporate

Notes to the Financial Statements

3. Notes to the financial statements (continued)

governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The company expects to adopt the amendment for the first time in the 2026 financial statements.

The impact of this amendment is currently being assessed.

Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

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

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

The impact of this amendment is currently being assessed.

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

4. Property, plant and equipment

Summary of property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	34,720	(18,013)	16,707	26,480	(15,822)	10,658
Motor vehicles	115,150	(66,020)	49,130	115,150	(53,736)	61,414
Office equipment	29,347	(9,655)	19,692	17,953	(8,141)	9,812
IT equipment	86,206	(58,959)	27,247	68,372	(44,605)	23,767
Printers	7,273	(4,283)	2,990	7,273	(3,856)	3,417
Total	**272,696**	**(156,930)**	**115,766**	**235,228**	**(126,160)**	**109,068**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	10,658	8,240	(2,191)	16,707
Motor vehicles	61,414	-	(12,284)	49,130
Office equipment	9,812	11,393	(1,513)	19,692
IT equipment	23,767	17,834	(14,354)	27,247
Printers	3,417	-	(427)	2,990
	109,068	**37,467**	**(30,769)**	**115,766**

5. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	212,112	-	212,112	221,347	-	221,347

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

5. Investment property (continued)

Reconciliation of investment property - 2024

	Opening balance	Write-off	Total
Investment property	221,347	(9,235)	212,112

Details of property

	2024	2023
Mtwara Land Plot		
Cost	212,112	212,112
Dodoma Land Plot		
Cost	9,235	9,235
- Write-off	(9,235)	-
	-	**9,235**

The company owns 1 piece of land namely;

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

6. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	8,053	(7,026)	1,027	8,053	(5,013)	3,040

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software	3,040	(2,013)	1,027

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

7. Loans receivable

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

	2024 TZS '000	2023 TZS '000
Loans receivable	84,297	102,127
Secured staff loan facility repayable in 3 years from disbursement date with interest rate of 5% p.a. The loan has been issued in accordance with the company's staff loans policy.		

Split between non-current and current portions

	2024 TZS '000	2023 TZS '000
Non-current assets	47,957	73,173
Current assets	36,340	28,954
	84,297	**102,127**

8. Right of use asset

	2024 TZS '000	2023 TZS '000
Cost		
Opening balance	114,646	57,323
Additions	74,866	57,323
Expired lease contract	(114,646)	-
	74,866	**114,646**
Accumulated amortisation		
Opening balance	(54,935)	(26,273)
Expired lease contract	57,324	-
Amortisation - Leased	(36,702)	(28,662)
	(34,313)	**(54,935)**
Carrying value		
Opening balance	59,711	31,050
Additions	74,866	57,323
Expired lease contract	(57,322)	-
Amortisation - Leased	(36,702)	(28,662)
	40,553	**59,711**

Depreciation charge on the right of use asset is at straight-line over the respective lease period. The depreciation charge for the period ended 31 December 2024 has been accounted for under the statement of profit or loss and other comprehensive income.

Class	**Opening**	**Addition**	**Expired lease contract**	**Accumulated amortization**	**Amortization**	**Carrying value**
Office space	114,646	74,866	(114,646)	2,389	(36,702)	40,553

9. Investment in Government Securities

	2024 TZS '000	2023 TZS '000
Government securities	15,680,721	15,037,876

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

9. Investment in Government Securities (continued)

Split between non-current and current portions

	2024	2023
Non-current assets	15,680,721	15,037,876

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

The Company has invested in government securities with face value of 15,473 million (2023: TZS 15,433 million) with variable maturity of maximum 25 years and minimum 9 years. No government securities are pledged as securities during the year.

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

10. Equity investments

	2024	2023
Equity investments at fair value through other comprehensive income	30,949,793	25,357,243

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

	2024	2023
Equity investments at fair value through other comprehensive income:		
Listed shares	30,944,293	25,351,743
See breakdown below;		
Unlisted shares	5,500	5,500
The company holds 10,000 ordinary shares in Mwanza Community Investment Plc - Unlisted.		
	30,949,793	**25,357,243**

Fair value information

Refer to note 11 Fair value information for details of valuation policies and processes.

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

10. Equity investments (continued)

Listed shares breakdown

	2024 Fair value	2024 Dividend income	2023 Fair value	2023 Dividend income
Tanzania Breweries Limited (TBL)	7,829,415	761,624	4,995,416	-
Tanzania Cigarette Company Limited (TCC)	5,810,600	170,864	5,810,600	229,006
Tanzania Portland Cement Company Limited (TPCC)	318,053	34,455	385,197	34,456
Mwanza Community Investment Plc	5,500	-	5,500	-
Swissport Tanzania Public Limited Company (Swiss)	111,570	5,206	133,884	4,260
Dar es Salaam Community Bank (DCB)	228,089	-	109,821	-
National Microfinance Bank Public Limited Company (NMB)	13,593,913	917,729	11,659,136	741,650
CRDB Bank Public Limited Company (CRDB)	335,335	99,953	919,569	89,958
Dar es Salaam Stock Exchange (DSE)	1,149,641	40,329	500,645	19,608
National Investments PLC (NICO)	382,070	49,442	231,165	20,427
BK Group Plc	80,219	-	95,228	2,334
KCB Group Plc	410,708	18,043	55,976	2,556
Safaricom Plc	387,464	22,069	176,919	8,087
Equity Group Holdings Plc	194,304	-	146,108	17,368
British American Tobacco Kenya Plc	112,912	1,440	132,079	18,475
Total	**30,949,793**	**2,121,154**	**25,357,243**	**1,188,185**

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

11. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

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

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 1

Fair value measurements

Assets	Note(s)	2024	2023
Equity investments at fair value through other comprehensive income	10		
Listed shares		30,944,293	25,351,743
Total		**30,944,293**	**25,351,743**

Level 3

Fair value measurements

Assets	Note(s)	2024	2023
Equity investments at fair value through other comprehensive income	10		
Unlisted shares		5,500	5,500
Total		**5,500**	**5,500**

	Note(s)	Opening balance	Closing balance

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

12. Other financial assets

	2024 TZS '000	2023 TZS '000
At amortised cost		
Corporate Bonds	1,200,000	750,000
SUKUK issued by Imaan Finance Limited with maturity in 2-3 years. Interest at 9% -11% per annum, payable semi-annually.		
Fixed Deposits - CRDB Bank Plc	305,000	305,000
TZS fixed deposits for 12 months' period that attract fixed bank interest rates.		
iCash Investment - iTrust Finance Limited	850,000	-
	2,355,000	**1,055,000**
Split between non-current and current		
Non-current asset	1,200,000	600,000
Current asset	1,155,000	455,000
	2,355,000	**1,055,000**

13. Deferred tax

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

	2024 TZS '000	2023 TZS '000
Deferred tax liability	(1,784)	(1,784)

Reconciliation of deferred tax asset / (liability)

	2024 TZS '000	2023 TZS '000
At beginning of year	(1,784)	(1,784)

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

14. Trade and other receivables

	2024 TZS '000	2023 TZS '000
Financial instruments:		
Accrued income	615,818	511,461
Deposits held with brokers	14,223	483,799
Non-financial instruments:		
Employee costs in advance	39,123	40,845
Total trade and other receivables	**669,164**	**1,036,105**

Split between non-current and current portions

	2024 TZS '000	2023 TZS '000
Current assets	669,164	1,036,105

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

15. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024 TZS '000	2023 TZS '000
Cash on hand	6,260	3,443
Bank balances	234,896	71,216
Short-term deposits*	2,000,000	6,630,216
	2,241,156	**6,704,875**

Short-term deposits represent call account which is held with CRDB Bank Public Limited Company (CRDB) bearing interest at 5% per annum. The call account is subsequently closed in March 2025.

16. Share capital

	2024 TZS '000	2023 TZS '000
Authorised		
5,000,000,000 Ordinary shares of TZS 20 each	100,000,000	100,000,000
Issued		
145,915,320 (2023: 145,915,320) ordinary shares of TZS 20 each	2,918,306	2,918,306
Share premium	9,828,506	9,828,506
	12,746,812	**12,746,812**
Reconciliation of number of shares issued:		
Reported as at 1 January 2024	145,915,320	72,957,660
Issue of shares – ordinary shares	-	72,957,660
	145,915,320	**145,915,320**

For the year ended 31 December,2023 the company announced a rights issue of one (1) new ordinary share for every one (1) share held at an offer price of TZS 145 per share. A total of 72,957,660 shares were issued.

17. Borrowings

	2024 TZS '000	2023 TZS '000
Held at amortised cost		
Secured		
Bank loan	-	2,157,841
Unsecured		
Split between non-current and current portions		
Non-current liabilities	-	1,885,443
Current liabilities	-	272,398
	-	**2,157,841**

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

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

17. Borrowings (continued)

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

18. Lease liabilities

	2024	2023
Office space		
Opening balance	57,323	30,603
Addition/recognition	74,866	57,323
Interest	6,304	1,574
Payment	(89,699)	(32,177)
Closing balance	**48,794**	**57,323**

Maturity analysis	**Less than 1 year**	**1 to 2 years**
Office lease - PSSSF	48,794	-

The company entered into an office lease agreement with the Public Service Social Security Fund (PSSSF) for a period of 2 years expiring in January 2024 and renewed for a further 2 years expiring in Jan 2026. The lease has been accounted for in accordance with the provisions of IFRS 16.

Interest is charged on the lease liability at the average incremental borrowing rate of the company i.e. 13.8% per annum. Interest charged for the period ended 31 December 2024 has been accounted for under the statement of profit or loss and other comprehensive income.

19. Trade and other payables

	2024	2023
Financial instruments:		
Trade payables	3	-
Accruals	36,538	200,758
	36,541	**200,758**

20. Dividend payable

Dividends are not recognised as a liability until they have been ratified at the Annual General Meeting. The Directors propose payment of a dividend of TZS 18 per share, amounting to TZS 2,626,475,760. In 2023, dividend of TZS 13 per share, amounting to TZS 1,896,899,160 was approved and paid.

As at 31 December 2024, the outstanding dividend amount is TZS 47.4 million (2023: TZS 52 million). The company is continuously making necessary efforts to reach the respective shareholders.

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000
21. Income		
Income from Investments		
Interest income	2,098,511	1,898,649
Dividend income	2,121,155	1,188,185
	4,219,666	**3,086,834**
22. Other operating income		
Gain on disposal of government securities	466,937	159,304
23. Other operating gains (losses)		
Gains (losses) on disposals		
Equity investments	-	184,951
24. Operating expenses		
Administration cost	512,585	425,072
Business development cost	-	59,231
Employment costs	530,949	452,428
Depreciation and amortization	69,484	55,792
Director's fee	33,600	33,600
Auditor's remuneration	25,960	23,600
	1,172,578	**1,049,723**
25. Employee costs		
Employee costs		
Salaries	375,905	315,053
Medical expenses	33,602	12,785
Pension fund: NSSF	-	12,546
Workers Compensation Fund	2,151	2,000
Gratuity expenses	24,664	33,000
Leave allowance	27,751	27,387
Staff training expenses	31,717	24,665
Pension fund: PSSSF	35,158	24,993
	530,948	**452,429**
26. Depreciation and amortisation		
Depreciation		
Property, plant and equipment	30,769	25,117
Amortisation		
Right of use assets	36,702	28,662
Intangible assets	2,013	2,013
	38,715	**30,675**

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

26. Depreciation and amortisation (continued)

	2024 TZS '000	2023 TZS '000
Total depreciation, amortisation and impairment		
Depreciation	30,769	25,117
Amortisation	38,715	30,675
	69,484	**55,792**

27. Finance costs

	2024 TZS '000	2023 TZS '000
Interest expenses on borrowings	3,774	343,659
Interest on lease liability	6,305	1,574
Total finance costs	**10,079**	**345,233**

28. Taxation

Major components of the tax expense

	2024 TZS '000	2023 TZS '000
Current		
Final withholding tax - current period	108,441	59,790

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2024 TZS '000	2023 TZS '000
Accounting profit	3,503,946	2,036,133
Tax at the applicable tax rate of 30% (2023: 30%)	1,051,184	610,840
Tax effect of adjustments on taxable income		
Permanent difference	-	9,363
Non-taxable income	(1,447,931)	(720,950)
Final witholding tax - current year	108,441	59,790
Deferred tax effect not accounted	396,747	100,747
	108,441	**59,790**

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

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

29. Cash generated from operations

	2024 TZS '000	2023 TZS '000
Profit before taxation	3,503,946	2,036,133
Adjustments for:		
Depreciation and amortisation	69,484	55,792
Gain on disposal of assets	-	(184,951)
Finance costs	10,079	345,233
IPO costs for equity investments through Other Comprehensive Income	-	(599,426)
Non-cash item - Transfer between reserves relating to prior years	-	6,568
Changes in working capital:		
Trade and other receivables	366,941	(436,174)
Trade and other payables	(164,220)	72,897
	3,786,230	**1,296,072**

30. Tax paid

	2024 TZS '000	2023 TZS '000
Balance at beginning of the year	308,164	286,996
Current tax for the year recognised in profit or loss	(108,441)	(59,790)
Balance at end of the year	(333,423)	(308,164)
	(133,700)	**(80,958)**

31. Dividends paid

	2024 TZS '000	2023 TZS '000
Balance at beginning of the year	(51,922)	(330,428)
Dividends	(1,905,847)	(948,450)
Balance at end of the year	47,406	51,922
	(1,910,363)	**(1,226,956)**

Dividends are from retained profits.

32. Commitments

Lease liability

	2024 TZS '000	2023 TZS '000
Minimum lease payments due		
- within one year	48,794	24,379
- in second to fifth year inclusive	-	32,944
	48,794	**57,323**

Liabilities arising from a lease are initially measured on a present value basis of contractual payments associated with lease contract.

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

33. Contingencies

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

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

34. Comparative figures

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

The effects of the reclassification are as follows:

35. Related parties

Relationships	
Shareholder	Refer to page 13
Directors	Refer to page 12
Members of key management	Peter Kifungomali
	Joel Chikoma
	Rose Osima

Related party transactions

	2024 TZS '000	2023 TZS '000
Rent and service charges paid to (received from) related parties		
Public Services Social Security Fund (PSSSF)	-	42,078
Professional services from (to) related parties		
iTrust Finance Limited	-	375,906
Compensation to directors and other key management		
Key management emoluments	378,369	295,315
Director fees	33,600	33,600
	411,969	**328,915**

2024 TZS '000
2023 TZS '000

36. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

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

2023

	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total
Loans receivable	7	-	102,127	102,127
Equity investments	10	25,357,243	-	25,357,243
Government securities	9	-	15,037,876	15,037,876
Trade and other receivables	14	-	995,260	995,260
Cash and cash equivalents	15	-	6,704,875	6,704,875
Other financial assets	12	-	1,055,000	1,055,000
		25,357,243	**23,895,138**	**49,252,381**

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

36. Finance costs (continued)

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Total
Trade and other payables	19	36,538	36,538
Dividend payable	20	47,406	47,406
Lease liability	18	48,794	48,794
		132,738	**132,738**

2023

	Note(s)	Amortised cost	Total
Trade and other payables	19	200,758	200,758
Borrowings	17	2,157,841	2,157,841
Dividend payable	20	51,922	51,922
Lease liability	18	57,323	57,323
		2,467,844	**2,467,844**

Capital risk management

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

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

	Note(s)	2024	2023
Borrowings	17	-	2,157,841
Trade and other payables	19	36,538	200,758
Total borrowings		**36,538**	**2,358,599**
Cash and cash equivalents	15	(2,241,156)	(6,704,875)
Net borrowings		**(2,204,618)**	**(4,346,276)**
Equity		52,548,304	47,524,929
Gearing ratio		(4)%	(9)%

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

36. Finance costs (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Interest rate risk.

Credit risk

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

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

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans receivable	7	84,297	-	84,297	102,127	-	102,127
Equity investments	10	30,944,293	-	30,944,293	25,351,743	-	25,351,743
Investment in government securities	9	15,680,721	-	15,680,721	15,037,876	-	15,037,876
Trade and other receivables	14	630,041	-	630,041	995,260	-	995,260
Other financial assets	12	2,355,000	-	2,355,000	1,055,000	-	1,055,000
Bank and cash equivalents	15	2,241,156	-	2,241,156	6,704,875	-	6,704,875
		51,935,508	**-**	**51,935,508**	**49,246,881**	**-**	**49,246,881**

Notes to the Financial Statements

	2024 TZS '000	2023 TZS '000

36. Finance costs (continued)

Liquidity risk

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

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

2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	18	36,538	36,538	36,538
Dividend payable	20	47,406	47,406	47,406
Lease liability		48,794	48,794	-

2023

		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Borrowings	17	-	-	1,885,443
Current liabilities				
Trade and other payables	19	200,758	200,758	200,758
Borrowings	17	272,398	272,398	272,398
Dividend payable	20	51,922	51,922	51,922
Lease liability	18	24,379	24,379	-
		(549,457)	**(549,457)**	**(2,410,521)**

Notes to the Financial Statements

36. Finance costs (continued)

Interest rate risk

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

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

37. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

38. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

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