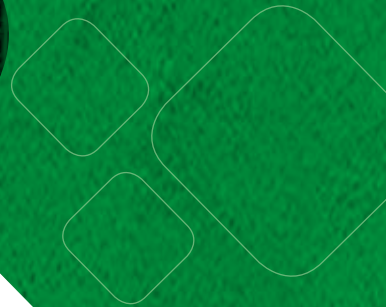




NTCOL

The Economic Shield of The Nation



NATIONAL INVESTMENTS PLC

ANNUAL REPORT

2020





TZs
1.514B
GOVT TAX PAID
2016-2019



Inside the Annual Report

OUR COMPANY

Financial Highlights	2
Share Performance	8
Value Added Statement	9
Mission, Vision & Values	10

STRATEGY AND PERFORMANCE

Chairman's Statement	12
Chief Executive Officer's Report	17
Review from Chief Financial Officer	22

CORPORATE GOVERNANCE

Board of Directors	26
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CORPORATE INFORMATION

Company Information	31
Executive Management	34
AGM Notice 2020	38

FINANCIAL STATEMENTS

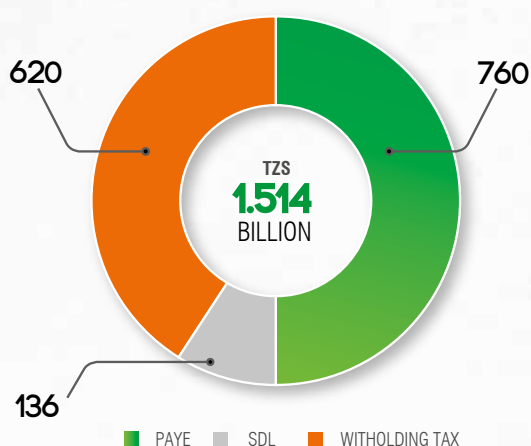
Report of the Directors	42
Statement of Director's Responsibilities	47
Declaration of the Chief Financial Officer	48
Independent Auditor's Report	49
Statement of Profit or Loss and other Comprehensive Income	53
Statement of Financial Position	54
Statement of Changes in Equity	55
Statement of Cash Flows	56
Notes to the Financial Statements	57

FINANCIAL HIGHLIGHTS FOR THE YEARS 2016 - 2019

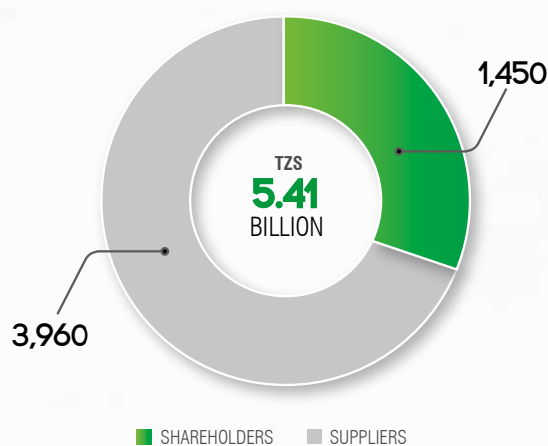
FINANCIAL PERFORMANCE FOR YEARS 2016 - 2019

	2016 TZS '000'	2017 TZS '000'	2018 TZS '000'	2019 TZS '000'
Income				
Dividend Income	3,650,794	3,807,421	2,475,714	2,458,152
Interest Income	243,837	77,903	63,192	33,986
Gain on Disposal	1,135,989			
Provision Written back -	1,772,660		1,262,368	335,899
Total Income	6,803,280	3,885,324	3,801,273	2,828,037
Expenses				
Employees expenses	348,118	486,320	611,399	645,453
Directors' expenses	88,604	97,376	118,585	172,998
Legal and Other Professional fees	721,916	397,953	305,987	125,073
Audit Fees	20,861	26,218	26,916	26,998
Annual General Meeting expenses		98,350	108,515	99,171
Tfdc - Support expenses		252,021	17,190	
Other Administration expenses	200,665	507,070	359,754	132,850
Net Administrative expenses	1,380,163	1,865,308	1,548,345	1,202,543
Loan Impairment - TMCL/TFDC	3,034,000			1,215,316
Total Administrative expenses	4,414,163	1,865,308	1,548,345	2,417,859
Other Operating expenses	75,883	86,691	147,479	171,035
Operating profit	5,347,234	1,933,325	2,105,450	239,143
Finance costs	42,037	249,608	6,125	71,774
Profit before taxation	5,305,197	1,683,717	2,099,325	167,369
Tax charge	360,588	201,502	130,734	125,997
Profit for the year	4,944,609	1,482,215	1,968,591	41,372

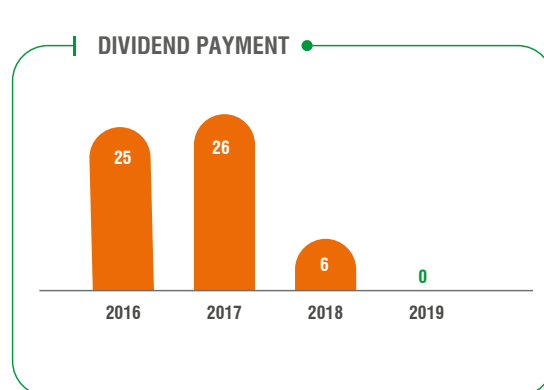
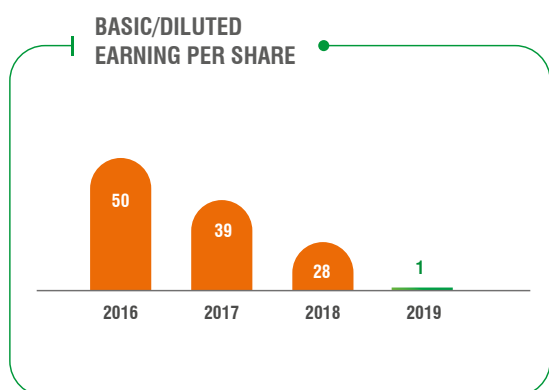
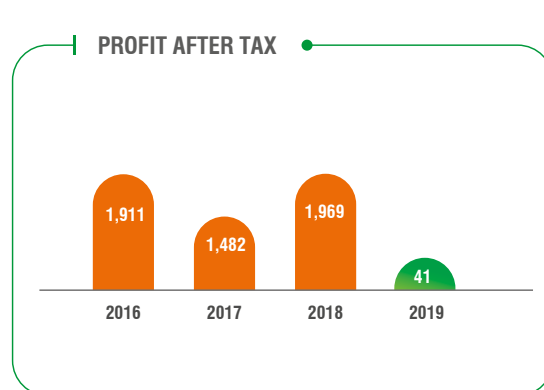
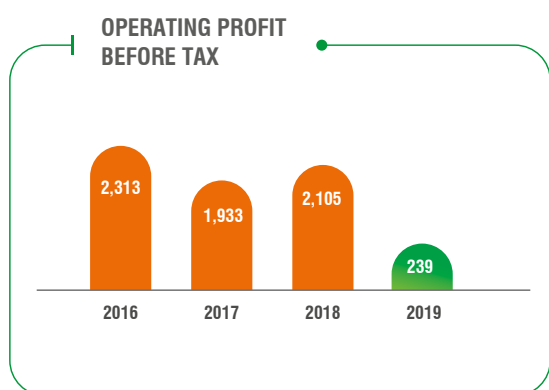
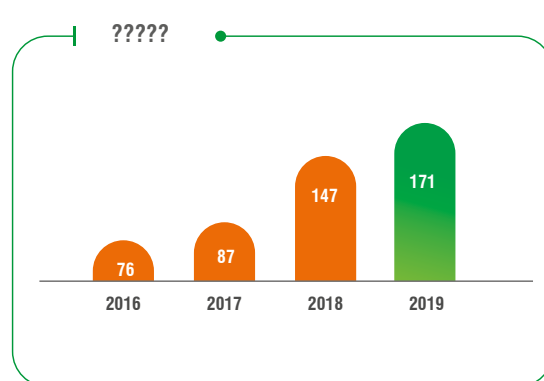
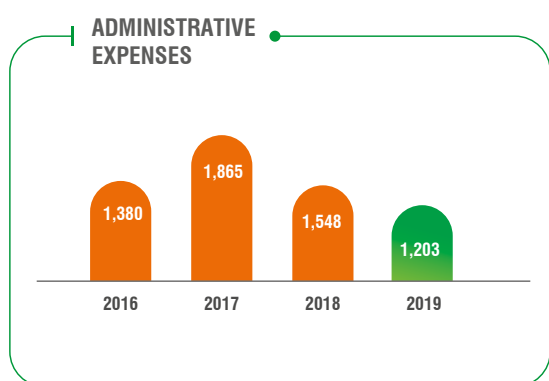
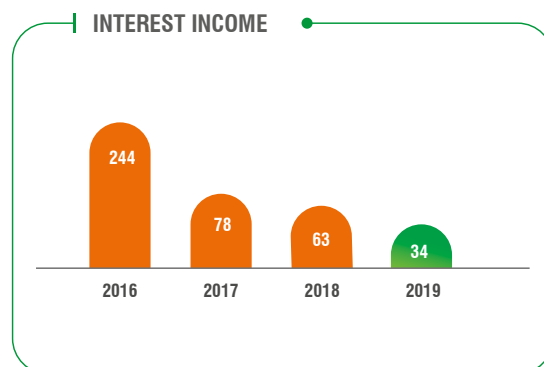
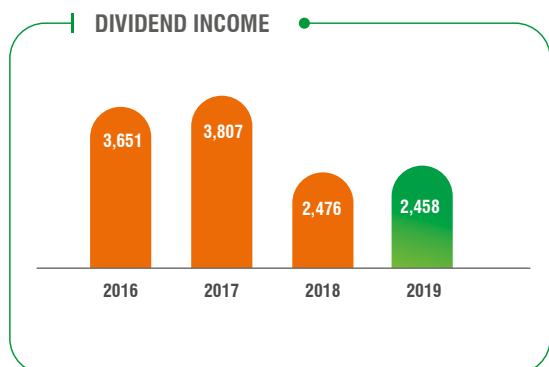
NICOL'S CONTRIBUTION TO THE NATIONAL ECONOMY THROUGH GOVERNMENT TAX, SHAREHOLDERS AND OTHER STAKEHOLDERS

GOVERNMENT TAX PAID 2016 - 2019
(IN MILLIONS)

TO SHAREHOLDERS AND SERVICE PROVIDERS 2016 - 2019 (IN MILLIONS)

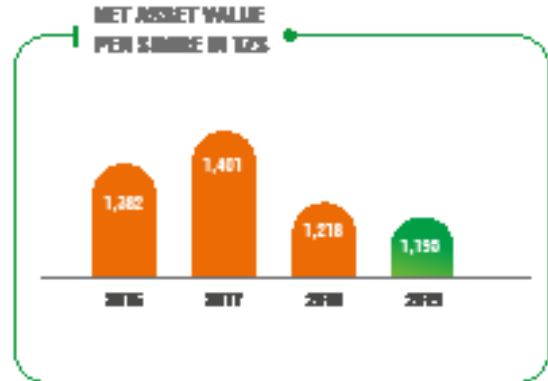
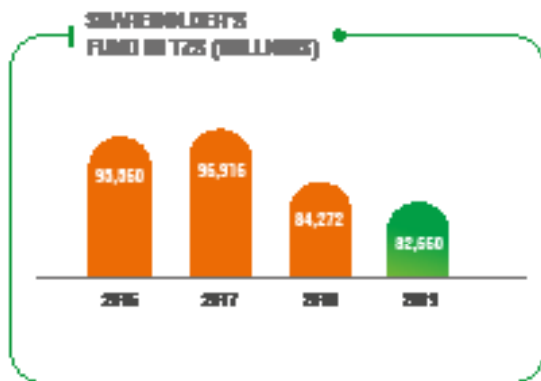
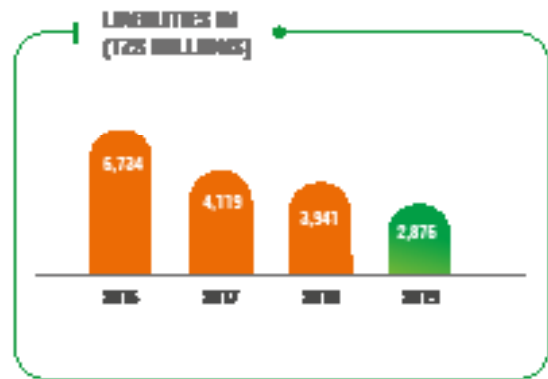
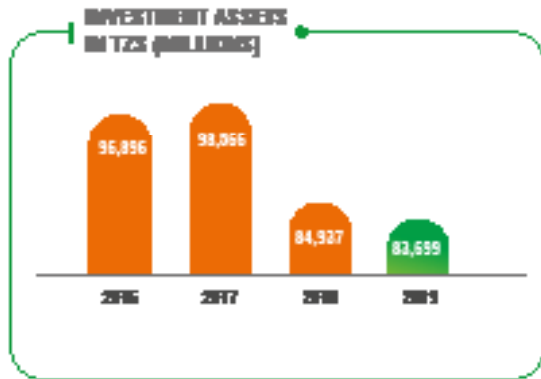


FINANCIAL HIGHLIGHTS FOR THE YEARS 2016 - 2019



FINANCIAL HIGHLIGHTS FOR THE YEARS 2016 - 2019

FINANCIAL PERFORMANCE FOR YEARS 2016 - 2019



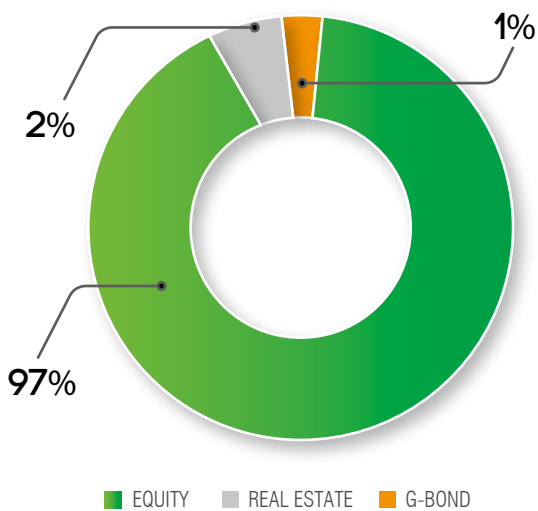
FUTURE INVESTMENTS

PROPOSED NICOL OFFICE BLOCK FOR CORPORATE AND FOR INVESTMENT

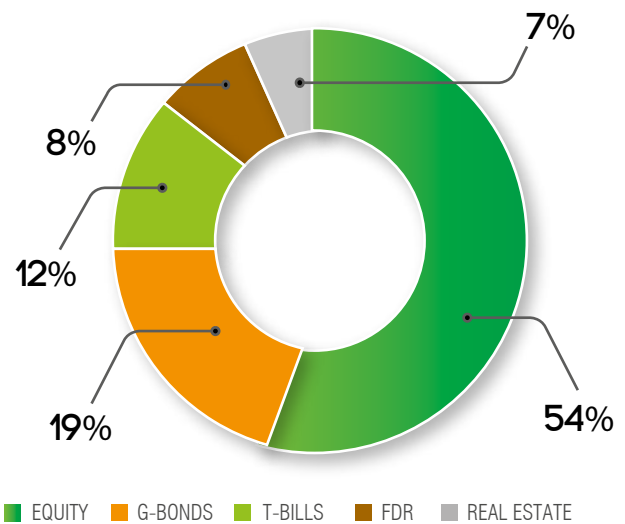


CURRENT PORTFOLIO

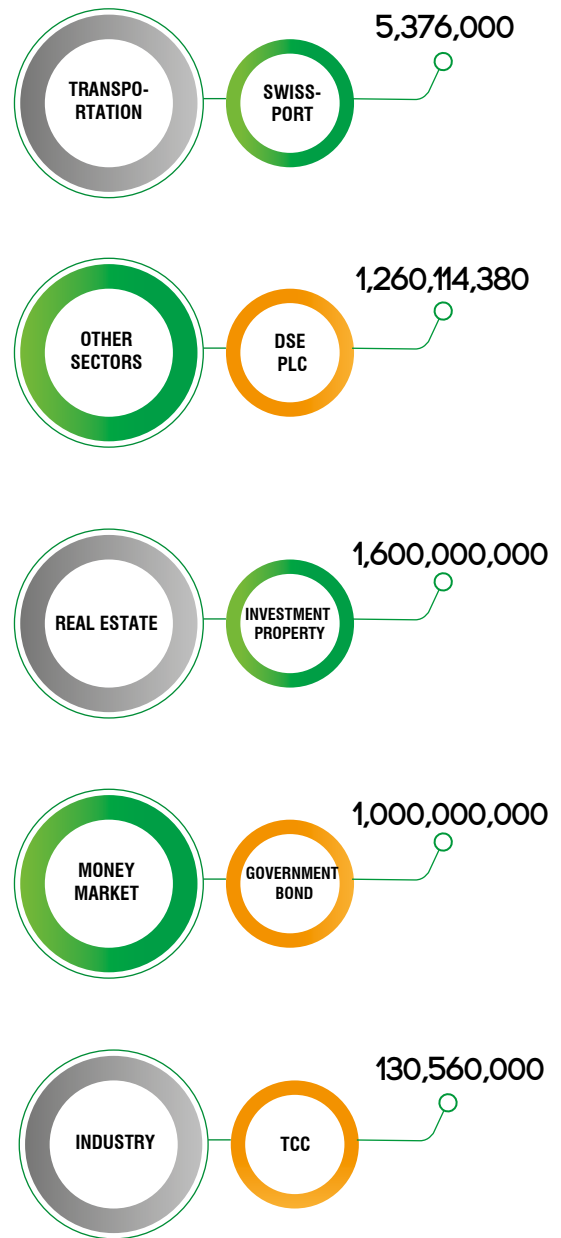
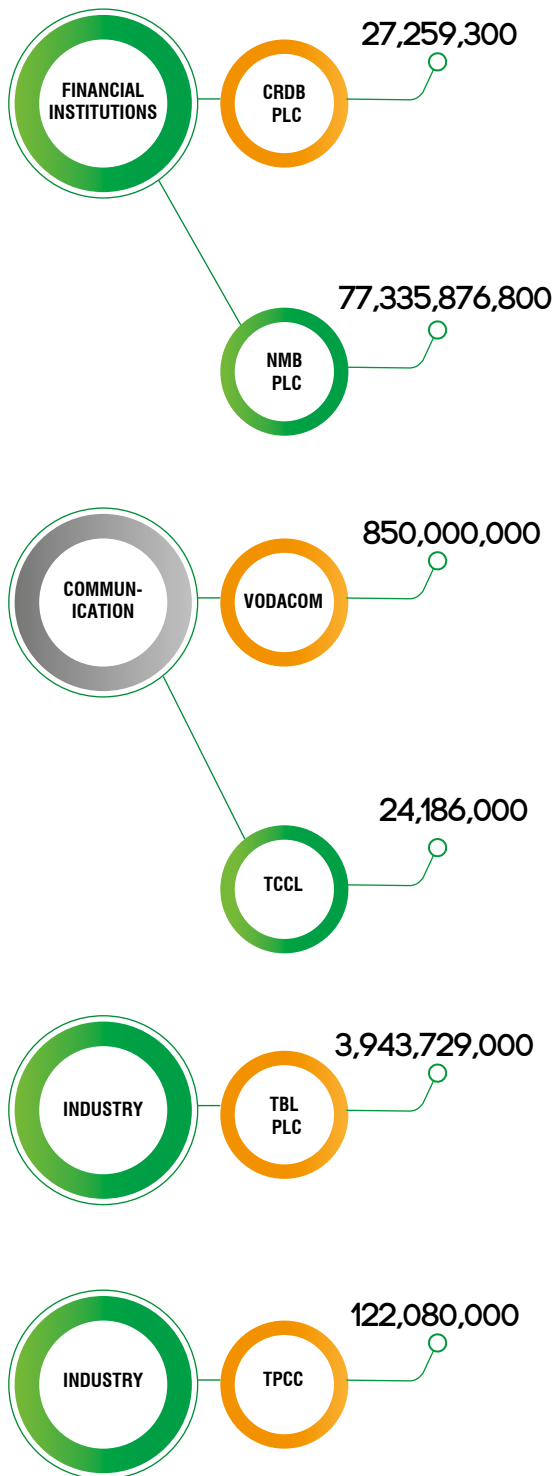
CURRENT INVESTMENT PORTFOLIO



PLANNED INVESTMENT TOWARD YEAR 2025



NICOL INVESTMENTS





National Investments PLC
11 Serengeti Road
Mikocheni "B"
P.O. Box 7465,
Phone: +255 22 2701436/2701348
0682 720 679
E-mail: invest@nicoltz.com

INTERIM DIVIDEND DECLARATION FOR THE FINANCIAL YEAR 2020

The Board of Directors of National Investments PLC is pleased to, subject to obtaining approval from the Annual General Meeting of shareholders to be held on Saturday 21st November 2020, recommend an Interim Dividend of TZS 10 per share out from the profit for the financial year 2020.

Pursuant to the dividend payment declaration, the share Register details shall remain as follows:

Announcement Date	16 th November 2020
Trading of Share cum Dividend	16 th November to 3 rd December 2020
Trading of Share Ex Dividend	4 th December 2020 onward
Closure of the Members Register	8 th December, 2020
Dividend Payment on or by	14 th December 2020

Dividend will be paid directly to shareholder's bank account.

For communication, the contact is.

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

BY ORDER OF THE BOARD



SHARE PERFORMANCE

Share performance	Formulae		2016	2017	2018	2019
Basic and diluted earning per share	PAT/Number of shares in issue	TZS	50	39	28	1
Dividend per share	Total dividend/ Number of shares in issue	TZS	25	26	6	0
Closing share price	as per the DSE	TZS	300	300	270	175
Number of shares in issue		Share	69,165,170	69,165,170	69,165,170	69,165,170
Dividend cover (times)	Basic diluted earnings per share/dividend per share	Times	2.00	1.50	4.74	
Net asset value per share	Net assets/Number of shares issued	TZS	1,382	1,401	1,218	1,195
Dividend Yield: ordinary dividend	Dividend per share/ closing price at DSE		8%	9%	2%	0%
Price to Book ratio	Closing share price/ Net asset value per share	Times	0.2	0.2	0.2	0.1
Market capitalization	Closing share price times No, shares in issue	TZS Millions	20,750	20,750	18,675	12,104
Net Assets	As per the Audited FS	TZS Millions	95,560	96,916	84,272	82,660

VALUE ADDED STATEMENT

Value added statement is a financial statement that depicts wealth created by our organization and how the wealth was distributed among various NICOL stakeholders.

TZS "Thousands"	2019	2018
Value added		
Income earned from Dividend and Interest	2,492,138	2,538,906
Interest expenses	(71,774)	(6,125)
Other Income	335,899	1,262,368
Operating expenses	(1,202,544)	(1,548,345)
Other administrative exp	(113,864)	(104,130)
Tax	(125,997)	(130,734)
Value Added	1,313,858	2,011,940
Value allocated to:		
Employees & Directors		
Salaries and other benefits	501,915	465,417
Shareholders:		
Dividend to Government Institutions	42,463	360,936
Dividend to other shareholders	449,987	596,121
To Government		
PAYE	121,054	123,954
Skill Development Levy	18,396	18,023
Workers Compensation fund	4,088	4,005
With-holding tax	125,997	130,734
Expansion		
Depreciation, impairment and retained earnings	49,957	312,750
	1,313,858	2,011,940
Distribution %		
	2019	2018
Employees	38%	23%
Shareholders	37%	48%
Government Tax	21%	14%
Retained Earnings	4%	16%

Our Mission & Vision



MISSION

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

VISION

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

VALUES

TRANSPARENCY

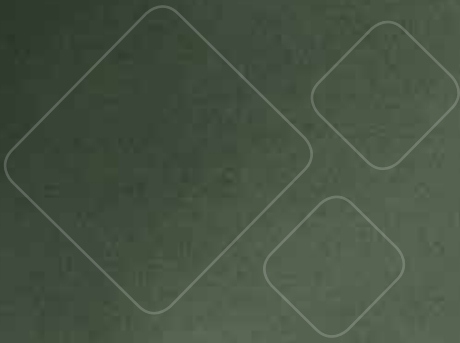
To have a work culture where employees rigorously communicate with their peers and exchange ideas and thoughts, which progressively builds up and maintains trust and respect.

INTEGRITY

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

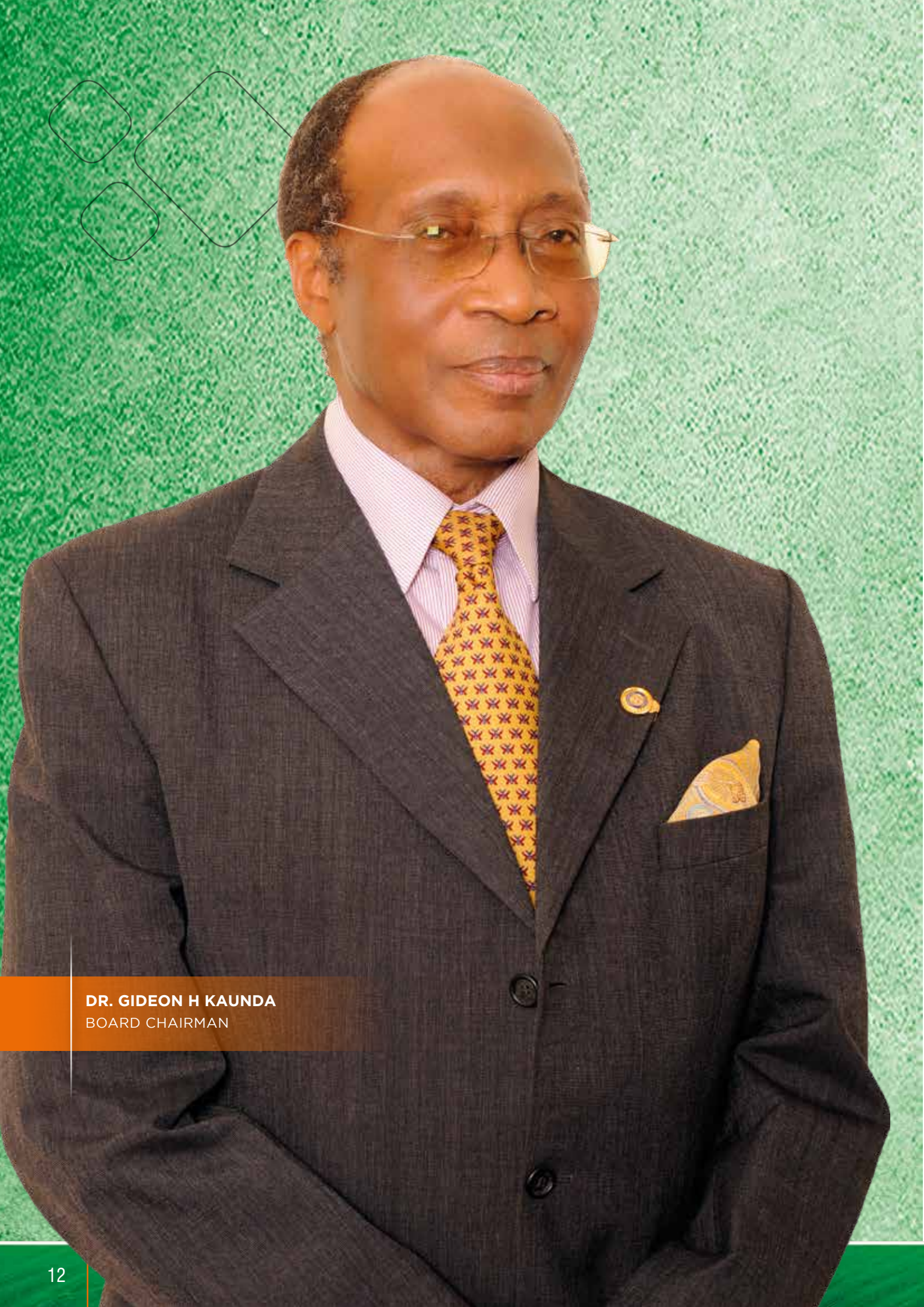
PROFESSIONALISM

- To act professional in all actions and dealings with our shareholders, clients and partners.



**STRATEGY AND
PERFORMANCE**





DR. GIDEON H KAUNDA
BOARD CHAIRMAN

CHAIRMAN'S STATEMENT



I wish to express our gratitude to the Regulatory Authority, the CMSA, for their constructive guidance, oversight, and support...
...and close cooperation we have received from the Dar-Es-Salaam Stok Exchange (DSE) with whom we have worked hand in hand in cultivating investment opportunities and opening doors for business expansion beyond the horizon.

Dr. Gideon H Kaunda
Board Chairman

I am delighted that once again I have the opportunity to present to you the company Annual Report and Financial Statements for the year ended 31st December, 2019. Much as the business trends and results of last year appear satisfactory and reveal a lot to be proud of, we were unfortunately saddled with events of profound sadness, following the premature demise of one of our most resourceful Board Directors and Chairman of NICOL's Subsidiary, the Tanzania Meat Company Ltd, Eng. Ladislaus M. Salema, as you may have read in the media our obituary dedicated to him on 11th May 2020. This saddening was not to last long before the passing away of a prominent founder-shareholder and NICOL's singularly committed supporter, Hon. Judge Mark Bomani, whose unwavering dedication to NICOL's survival and sustainability as a viable commercial entity, significantly contributed to its resuscitation and sustenance as an ongoing concern.

I therefore wish to express our deep appreciation to their selfless dedication to NICOL, as we cherish fond memories of the invaluable achievements for which they have actively played a part.

Economic Review.

Notwithstanding the downturn or economic stagnation occasioned by the Covid-19 pandemic experienced elsewhere, NICOL has been somewhat shielded by the overall 6.8% growth of the Tanzania economy in 2019, driven by increased public investments in infrastructure, manufacturing, agriculture and tourism. The Banking sector in Tanzania, in which NICOL has sig-

nificantly invested as a deliberate strategy, has also registered remarkable growth, associated with a vibrant economic environment. All things being equal, we can envision an even brighter future, considering Tanzania's ascendance to the level of a lower middle income economy, as classified in 2019 by the World Bank, with a GNI per capita of United States dollars 1080.

Performance.

As we continue to review our 2019 Strategic Plan, NICOL foresees a more diversified investment mix, in order to maintain an upward trajectory of the returns to our shareholders, while casting a watchful eye in obviating imprudent exposure to investment risks. Our performance in 2019 was however significantly dented by untoward and extraneous circumstances beyond our control, due to the intervention of the Ministry of Agriculture and Livestock invoking the expropriation of the Tanzania Meat Company Ltd, TMCL, a subsidiary of NICOL in which the minority shareholder NARCO has a 49% stake. Consequently, the company's profit after tax was lower in 2019 compared to the profit earned in 2018, having declined from Tanzania shillings 2.1 billion to shillings 41 million. The cause of this huge decline was exclusively a consequence of the forceful take-over and control of the company and assets of TMCL.

CHAIRMAN'S STATEMENT

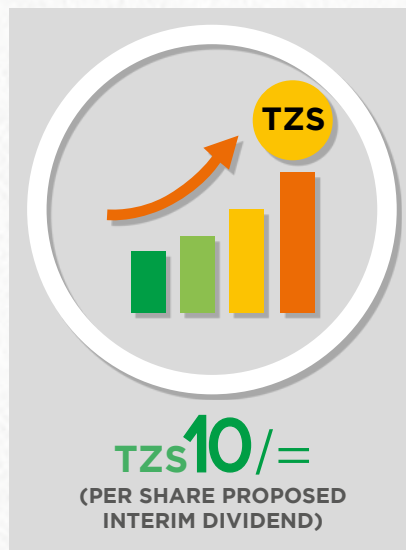


Obviously, the partnership relationship with NARCO as a Government entity had long gone bitterly sour, notwithstanding all reasonable efforts by NICOL and goodwill to steer towards a business and private sector orientation, and supporting TMCL with substantial resources with a view to reviving it as a commercially sound enterprise.

Measures are currently underway to establish a legally acceptable exit framework, following the shareholders' measures to reinstate a legitimate and legal platform, under which to justify a formal review of TMCL's affairs with the ultimate objective of setting in motion its liquidation and treatment of its assets and liabilities.

Dividend.

Although the Board did not declare the 2019 dividend for the above reasons, there has nevertheless been a positive and encouraging turn of events arising from the 2020 interim financial results, recording a profit after tax, PAT,



increase from 41 million shillings in 2019 to shillings 2.9 billion in 2020. Consequently, the Board is pleased to take note of this improvement and recommends payment of interim dividend of Tanzania shillings 10 per each paid up share for the interim period ended 30th June, 2020, payable to all shareholders in the reconciled share register. An appropriate Resolution to that effect will be presented to this Annual General Meeting for shareholders' adoption and approval.

Board and Management.

The National Investments PLC Board of Directors upholds high standards of management and corporate governance which we believe are key to delivering sustainable shareholder value and the company's long-term success.

Appreciation.

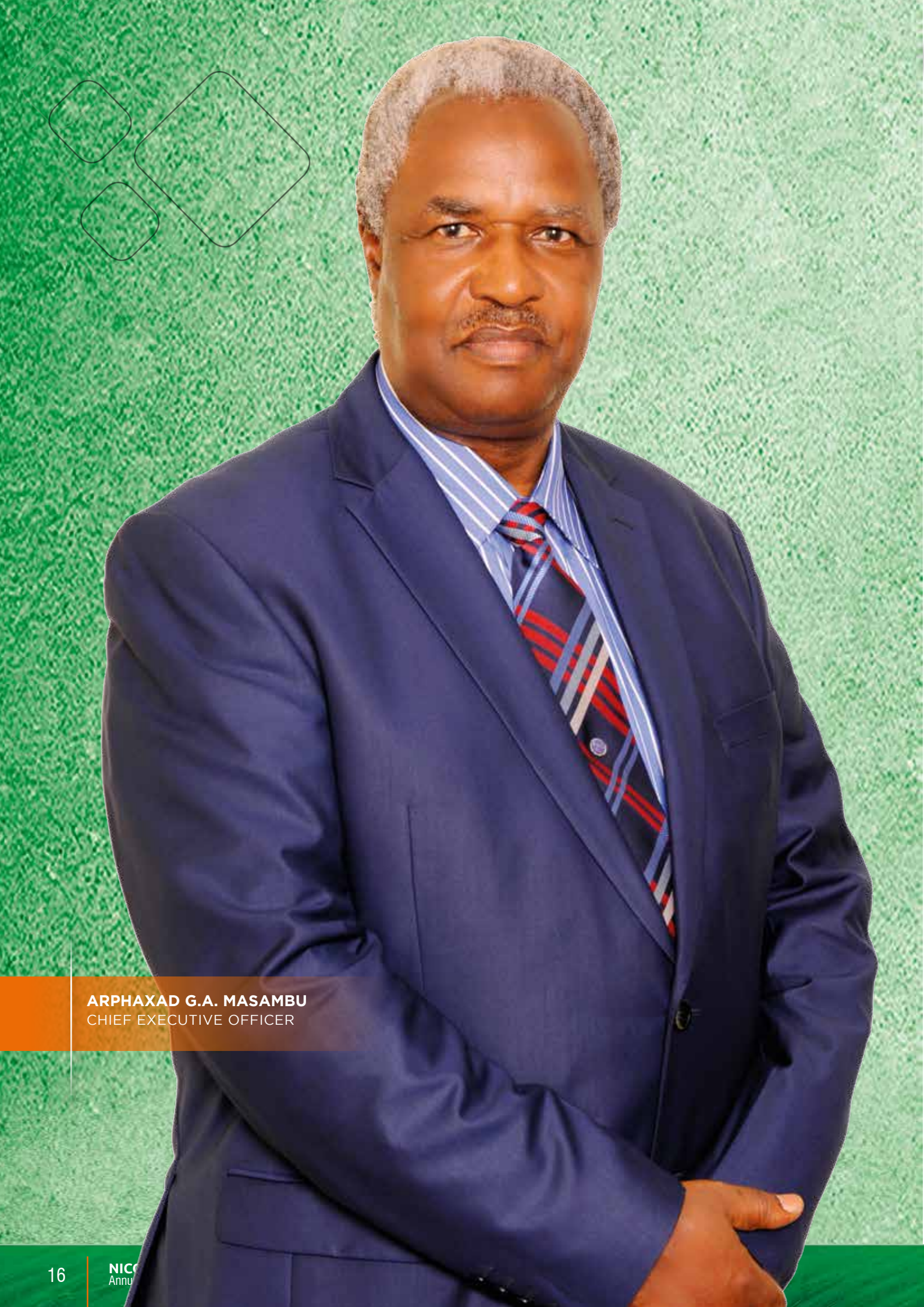
Foremost, I wish to express our gratitude to the Regulatory Authority, the CMSA, for their constructive guidance, oversight, and support, without which we could easily have waded into muddy waters. We would also like to recognize the well-established goodwill and close cooperation we have received from the Dar-Es-Salaam Stok Exchange (DSE) with whom we have worked hand in hand in cultivating investment opportunities and opening doors for business expansion beyond the horizon. Having gone through a turbulent and trying period with unity and commitment, it is incumbent upon me to express my personal gratitude to the Board and profound appreciation for their tireless efforts in ensuring NICOL attains its objectives. Equally I wish also sincerely to thank management and staff for their support and dedication to duty, without which the Board would not have functioned efficiently and productively.

Dr. Gideon H Kaunda
Board Chairman

“

Beyond formulating the next long term strategical plans, the Board will continue to closely support the execution of initiatives set out for the year 2020 to grow and diversify revenue lines as well as continue to promote cost efficiency.





ARPHAXAD G.A. MASAMBU
CHIEF EXECUTIVE OFFICER

CHIEF EXECUTIVE OFFICER'S REPORT

1. INVESTMENT ENVIRONMENT

The investment environment in the Country is very conducive and attractive to both foreign and Local investors. The economic growth of 6.8% that was achieved in 2019 is a good proof that Tanzania is on the right track of Development. Despite the challenges like the "Covid 19" Pandemic, still there are many sectors that continued to perform well. Especially the Banking sector; The example of NMB to achieve Earnings Per Share (ESPS) of TShs. 103 in the 3rd quarter of 2020 compared to TShs. 50 EPS of last year in the same 3rd quarter; and CRDB with EPS of TShs. 19.1 compared to TShs. 11.9 EPS of the same period, that is an indication of a better money circulation in the economy compared to the past. The World Bank also has recognized Tanzania's remarkable economic growth by promoting it into the middle income per capita of US Dollars 1,080 in 2019. Other economic factors that make Tanzania's investment environment to be good include: The Dar es Salaam Port being the Central hub for all East and Central African Countries;

The development of economic infrastructure such as National and International Road Network, Construction of the Standard Gauge Railways (SGR); Electrification of the entire Country both Rural & Urban areas; Construction of the Nyerere Dam at Rufiji River; The launching of Oil Pipeline construction from Uganda to Tanga Port in Tanzania; The booming of mining

sector; Tourism development; The Discovery of Natural Gas along Lindi-Mtwara Corridor; A better and peaceful political climate, all these and others more, are making Tanzania with a good investment environment; to all investors, both local and foreign.

2. NICOL INVESTMENT STATUS:

2.1 INVESTMENT DIVERSIFICATION

The company is in the process of restructuring its share investment portfolio which is worth TShs 83,699,181,100 (at market price valuation) by selling some of its NMB shares and diversifying into other investment opportunities available in the market in order to: (i) Minimise the risk of skewed share investment portfolio in NMB shares. NMB shares account over 90% of the total portfolio investment value. The remaining 8 share types each accounts between 1.7% and 0.05% in exception of TBL shares which account 4.7 % of the total share portfolio value. (ii) Increase earnings to the company by investing in other investment assets that can create additional income to the company in terms of profitability, and consequently pay more dividends to NICOL shareholders. Targeted investments include: shares that can pay higher dividend yield per share; Investment in Bonds that pay higher returns per shilling invested; Real Estate investment; Agricultural processed products; Microfinance; Mining and many others as



The World Bank also has recognized Tanzania's remarkable economic growth by promoting it into the middle income per capita of US Dollars 1,080 in 2019. Other economic factors that make Tanzania's investment environment to be good include: The Dar es Salaam Port being the Central hub for all East and Central African Countries

Arphaxad G.A. Masambu
Chief Executive Officer.

CHIEF EXECUTIVE OFFICER'S REPORT

may be proved technically to be economically viable, commercially acceptable and financially sustainable.

2.2. SUBSIDIARY COMPANIES

During the year the mopping up of the bad investments made in the past continued and the position remained as follows:

2.2.1. Tanzania Meat Company Ltd

Tanzania Meat Company Limited (TMCL) is a subsidiary of NICOL PLC, in which NICOL owns 51% of the total shares, while 49% of the total shares are owned by NARCO. Due to unprecedented move that took place in December 2019 NICOL has come to realize that TMCL is no longer a viable project as it was expected. Therefore during the Shareholders meeting, that is between NICOL PLC and NARCO that was held on 1st May 2020 to discuss the future of TMCL; The two shareholders agreed to wind up the company (TMCL), as a result of that they also agreed to start the process of appointing the liquidator of TMCL. Unfortunately, due to the loss of TMCL Chairman and other technical challenges that occurred during the process, the liquidator has not yet been appointed and the process of liquidation has not yet started. Arrangements are continuing to call for a Shareholders Meeting and to determine the way forward in regard to the liquidation of TMCL.

2.2.2. IPL Pharmaceuticals and Beverages Ltd

IPL Pharmaceuticals and Bev-

erages Ltd was a result of the merger between MILCAFE LTD and INTERCHEN PHARMA LTD. The two seems to be sister companies as they belong to the same Directors. After that merger, it was proposed to NICOL through the management that was removed from office to buy 51% shares of the New-IPL Pharmaceuticals and Beverages Ltd. The idea was accepted by NICOL and agreed to the proposed shares at a price of 2million US Dollars; Hence, NICOL paid US\$ 1,124,711 as initial instalment. Incidentally, it was later realized that the two companies did not operate jointly as a Group of Companies, as each continued to operate independently. Even at BRELLA nothing was changed to show

that the two had become one. Furthermore, it was revealed that all the Assets of INTERCHEM PHARMA LTD were all mortgaged to secure a loan from Barclays Bank and also had an old debt of US\$ 93,562 and £16,000; altogether had already accumulated to a total debt of Tshs. 2,524,520,035/= . Six month later Barclays Bank intervened to put "Interchem Pharma Ltd under liquidation. Which means the deal was fictitious and NICOL PLC had lost. Hence, the matter has been handed over to the law enforcement organs for further legal actions.

2.2.3. Twiga Feeds Ltd

This is another controversial business agreement that was entered into by the old



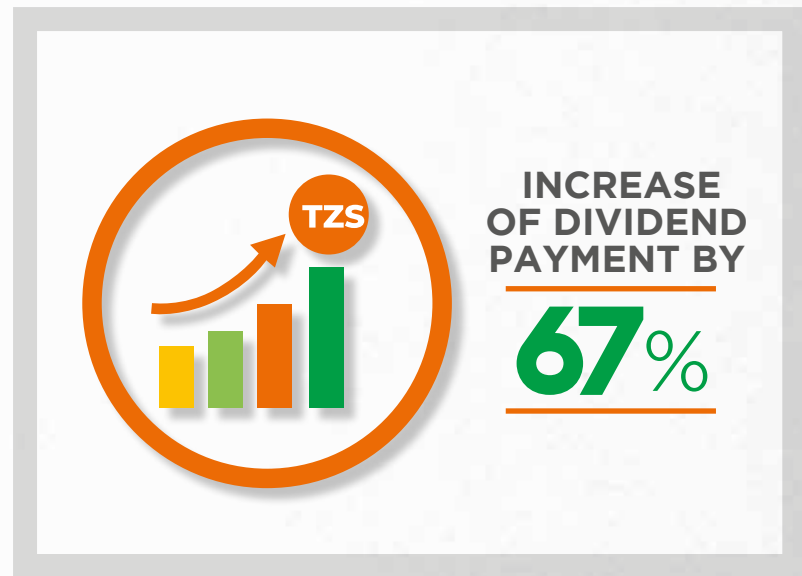
management. NICOL had an agreement with the owner of TWIGA Feeds Ltd, where NICOL issued a Loan to Twiga Feeds Ltd by Mortgaging Twiga Feeds Ltd properties. In the end, After the new management had taken over the management of NICOL PLC, the owners of Twiga Feeds dishonoured the agreement and refused their mortgaged properties to be sold in order to recover NICOL Money that was lent to Twiga Feeds Ltd. As a result of that, the case was filed and is still in progress.

2.2.4 Variance in Share Reconciliation in NICOL Share Register

It was resolved during the Annual General Meeting of 2018 concerning the discrepancies in the Share Register for the shares that lacked proof of being paid for. Also is it was directed to continue with the reconciliation until 30th September 2020. That assignment has been completed and the final figure of the total sum of shares which is still lacking proof of being paid for is 21,406,102 shares. The Board Members have already passed a resolution to remove them permanently from the NICOL Share Register as it was directed in last years Annual General Meeting.

2.3. NICOL INVESTMENT HOUSE:

NICOL PLC has acquired a semi finished structure along Mikocheni Area which shall be developed into a Commercial Property as NICOL INVESTMENT HOUSE in order to complement more earnings to the company through office rental



income, and other commercial services that shall be provided in that Investment House. The proposed NICOL PLC INVESTMENT HOUSE will also provide premises for NICOL Offices in order to overcome excessive office rental expenses. As a result of that the saving that is expected from NICOL Office accommodation expenses will create additional income to the company. In short the proposed Investment House is expected to cater for the following services:

- NICOL offices as well as NICOL Head office in future
- NICOL's Conference Hall facility for internal uses as well as for external customers use by hiring.
- NICOL office spaces for rent to external customers. Given the fact that Dar es Salaam is a City that continues growing commercially in each year that comes, and that Mikocheni corridor is growing commercially and becoming a prime area for business investors, it means the demand for rental offices and other commercial facilities will continue to exist.

d) Office packing space - especially to the Underground area and the open space outside. Parking space is usually a good attraction to rental customers and it normally enhances the use value of the property in place

3. LEGAL MATTERS:

During the year 2019 there were no new court cases; especially those associated with the previous management that was removed. However, there has been a new trend of revolving the old Court cases and bringing them back to Court in form of APPEAL CASES. In short, we received and remained with only two cases of appeal which were applied for hearing during 2019. That was after some of the good shareholders who decided to remove their cases from court willingly and in writing. Unfortunately, the two appeal cases that remained, none of them was able to be determined for ruling. Hence, all of them were carried forward into the year 2020.

CHIEF EXECUTIVE OFFICER'S REPORT

5. NICOL FUTURE OUTLOOK:

NICOL future outlook in terms of investments is still potential and so bright. The chances of potential growth are very high. Despite of the challenges that were experienced in 2019, NICOL is expected to perform better in the year 2020. Given the positive trend of national economic growth, NICOL is strategically well positioned to undertake any business opportunity that is within reach of NICOL's financial capability and sustainability. As the economy is picking up and the Stock Market is regaining in terms of volatility and growth, NICOL PLC is strategically placed to improve its business through:

- a) Continuing to diversify its investment portfolio in order to minimise risks associated with share investments by; eliminating skewed investments, developing a balanced share investments portfolio with higher return generating assets and disposing of all securities with low returns depending the market performance.
- b) Increasing and broadening NICOL's investment opportunities by investing in other Financial Sectors that can pay a better return to shareholders such as Microfinancing, Finan-



NICOL future outlook in terms of investments is still potential and so bright. The chances of potential growth are very high. Despite of the challenges that were experienced in 2019, NICOL is expected to perform better in the year 2020.

cial Securities in the Bond Market, Money market, Shares mortgaging facility, and Issuance of Commercial papers etc, as long as they are proven to be fruitful with higher yields/ returns to NICOL PLC.

- c) Investing in some of the real sector e.g. Housing; Mining sector; Oil sector; Agricultural processed products and other areas that can be found viable economically and financially sustainable.

All these shall be researched and done for feasibility studies to earmark all potential projects that can be undertaken by NICOL in its future business projects for implementation.

5. APPRECIATION:

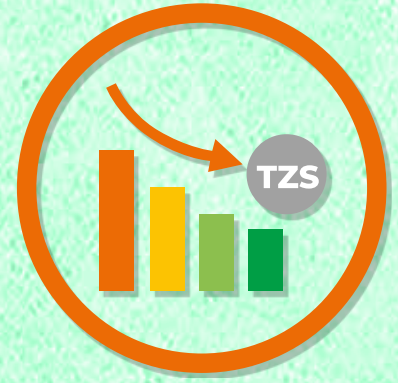
As we conclude, I wish to thank all NICOL's stakeholders whose joint efforts have made NICOL's existence a reality and successful. In summary these include: NICOL's shareholders, The CMSA as our regulator, The DSE and CSDR as our Market facilitators, The NBAA as our Financial discipline and Control monitor, The NICOL Board as the overseers of all management issues and company operations to ensure Shareholders interests are protected and the company operates efficiently and profitably, The management and all employees also have been working jointly and cooperating for the better performance and development of the company. NICOL PLC as a company recognises the efforts of each stakeholder and their good wishes for NICOL's better development and growth for the interests of NICOL Shareholders, the company and the Nation at large. In short we thank them all including those who have not been mentioned. and we real appreciate and recognise their inputs in NICOL PLC development.

ARPHAXAD G.A. MASAMBU
Chief Executive Officer.

A person wearing a grey suit jacket and trousers is holding a black leather briefcase with both hands. The background is a solid green color. There are some faint, light-colored geometric shapes (diamonds) in the upper left corner.

“

NICOL PLC as a company recognises the efforts of each stakeholder and their good wishes for NICOL's better development and growth for the interests of NICOL Shareholders, the company and the Nation at large.



OPERATING COST
REDUCTION BY OVER

23%

CPA. ERASTO G NGAMILAGA
CHIEF FINANCIAL OFFICE

CHIEF FINANCIAL OFFICER'S REVIEW

Financial Performance Summary for the year 2019

During the year 2019, the company recorded a pre-tax profit of 167 million shillings compared to a profit of 2.1 billion shillings in the year 2018. Profits for the year 2019 were further affected by the loan impairment of 1.22 billion shillings which the company advanced to TMCL since year 2010.

The control of TMCL company of which NICOL owns 51% of all shares was taken over and placed under the Ministry of Livestock and Fisheries on 28 December 2019, this step meant that NICOL lost control of the company and resulted in the 1.22 billion shillings being fully impaired in the profit and loss account.

As per IFRS 10, Consolidated Financial Statements outlines the requirements for the preparation and presentation of consolidated financial statements, requiring entities to consolidate entities it controls. Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee. Due to loss of control over TMCL, NICOL financial statements for the year 2019 were not consolidated.

Total operating income before non-cash items (other income and impairment losses) was up by 25%, that is to shillings 1,046,785,201 compared to shillings 836,957,079 in the year 2018, this increase is the result of efforts made to reduce administrative costs.

Dividends from our investment companies decreased by 2% in 2019 compared to dividend income earned in 2018, this decrease was due to the decline in dividends paid by companies we invested in 2019 including DSE Plc, Vodacom Plc and Simba Cement. However, recently there have been positive indications in these companies making profit, it is our expectation that the company's revenue will continue to improve.

Actual operating costs excluding loan impairment dropped by 22% from shillings 1.5 billion in 2018 to shillings 1.2 billion in 2019. However, the company has continued to address the challenges of various legal litigations that are still open against the company.

Income Statement Review for the year ended 2019

	2019 TZS '000	2018 TZS '000	Change	%
Investment income	2,492,138	2,538,906	(46,768)	-2%
Administrative expenses	(1,202,544)	(1,548,345)	345,801	-22%
Other operating expenses	(171,035)	(147,479)	(23,556)	16%
Finance costs	(71,774)	(6,125)	(65,649)	
	1,046,785	836,957	209,828	25%
Non-Cash items				
Other income	335,899	1,262,368		
Impairment of receivable from TMCL	(1,215,316)			
	(879,416)	1,262,368		
Profit before taxation	167,369	2,099,325		
Tax charge	(125,997)	(130,734)		
Profit for the year	41,372	1,968,591		

Given the challenges that arose in 2019 that led to the company's profits dropping to 41 million shillings in 2019, the Board of Directors has not recommended the payment of dividends for the Financial Year ended 31st December, 2019.

CHIEF FINANCIAL OFFICER'S REVIEW

Company's Balance Sheet

The value of the investments went down by 1% to 83.7 billion shillings in 2019 compared to 84.9 billion shillings in 2018. This decline was due to the decline in share prices for the companies that NICOL has invested in, however, stock prices in the Dar es Salaam stock market have continued to improve.

The company's balance sheet has continued to improve where the company's debt has decreased by 27% to reach 2.88 billion shillings compared to 3.94 billion shillings recorded in 2018.

	2019 TZS '000	2018 TZS '000	Change TZS '000	%
ASSETS				
Property, plant and equipment	1,739,795	1,778,972	(39,177)	-2%
Investment securities	83,699,181	84,937,469	(1,238,288)	-1%
Current assets	96,943	1,496,646	(1,399,703)	
TOTAL ASSETS	85,535,919	88,213,087	(2,677,168)	-3%
LIABILITIES				
Shareholder's fund	82,660,043	84,271,949	(1,611,907)	-2%
Current liabilities	2,875,876	3,941,137	(1,065,261)	-27%
TOTAL LIABILITIES	85,535,919	88,213,086	(2,677,167)	-3%

Financial Assessment for a period of six months in 2020

During the six months ended June 30, 2020, the company recorded a profit of 2.9 billion shillings which was contributed by an increase in dividend income from investment.

Given the profit earned over the six months in 2020, the Board of Directors has proposed a dividend of 10 shillings per paid share which is equivalent to an increase of 67% compared to 6 shillings paid in 2018.

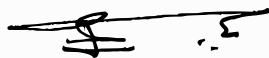
CHIEF FINANCIAL OFFICER'S REVIEW

	Half year		As at
	30-Jun-20 TZS '000	30-Jun-19 TZS '000	31-Dec-19 TZS '000
Investment Income	3,197,253	2,236,386	2,492,138
Administrative expenses	(828,866)	(507,037)	(1,202,542)
Other operating expenses	(68,637)	(56,090)	(171,035)
Finance Expenses	14	(67,160)	(71,774)
	2,299,764	1,606,099	1,046,787
Non-Cash items			
Gain on Share trading	915,172	-	-
Impairment charges	(86,625)		(1,215,316)
Loss on sale of assets	(65,283)		
Other Income	-	-	335,899
	763,264	-	(879,417)
Profit before taxation	3,063,028	1,606,099	167,370
Taxation	(159,863)	(110,274)	(125,997)
Profit after tax	2,903,165	1,495,825	41,373

Conclusion

We continue to witness major achievements that have been made over the past five years including various efforts to enhance existing investment value as well as ongoing strategies to evaluate new investment areas with a view to increasing the income of our shareholders.

It is encouraging to see investment revenues continuing to increase and improve balance sheet although more efforts are needed to increase efficiency in the use of our available resources to achieve better results. Efforts are being made to find the right combination of existing investments that will be able to increase revenue and eliminate the risk of relying on a single investment.



CPA. ERASTO G NGAMILAGA
Chief Financial Office





DIRECTORS' PROFILE



Dr. Gideon H Kaunda

CHAIRMAN

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

At different times Dr. Kaunda has served as a Consultant with the World Bank, the UNDP, the European Union (EU), AFCAC, Economic Commission for Africa (ECA), COMESA and the Lesotho Government on infrastructure projects. Dr. Kaunda supervised the establishment of Alliance Air, a jointly owned airline by Governments of Tanzania, South Africa and Uganda. In 2001 he became an Associate Director, DCDM, a Mauritius based Consulting firm of Business Integrators, Auditors and Accountants.

Before joining the private sector as a TPSF Member, Dr. Kaunda was appointed by a London Panel of Judges Session as an Arbitrator of the International Court of Aviation and Space Arbitration (ICASA). He maintains special interest in the Outer Space regime and scientific studies on celestial bodies, associated with the UN- COPUOS. Other areas of involvement include: Member, Tanzania Institute of Directors; Trustee; Nelson Mandela African Institute of Science and Technology; Founder Director, VIASAT-1 Free to Air Television Network (TV-1.); Participant; Tanzania Government Technical Preparatory Team for the Five Year Development Plan (FYDP- II) 2016 - 2021; Member, Court Users` Committee, High Court Commercial Division; Chairman; Rural Energy Agency (REA); Board Director and Investment Committee Member; TICL; Member, Tanganyika Law Society and Advocate of the High Court of Tanzania; Life Member, McGill Institute of Air and Space Law Canada, Co-opted Member, Flight Transportation Laboratory, Centre for Advanced Engineering Study, School of Aeronautics and Astronautics, Massachusetts Institute of Technology (MIT),

DIRECTORS'S PROFILE

Mrs. Joyce N Nyanza

DIRECTOR

Cambridge, Boston USA; Rotary International Paul Harris Fellow (2002); President, Rotary Club of Dar-Es-Salaam (2002- 2003).

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

She had worked for Tanzania Social Action Fund (TASAF) for 9 years in different capacities as District Accountant January, 2001 - December, 2004 as well as Zonal System Auditor from January, 2005-December, 2009.

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

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



DIRECTORS'S PROFILE



CPA. Anna Baliyima

DIRECTOR

Ms. Anna was appointed as the non-executive director of National Investments Plc on 26th October 2019.

Anna Baliyima is the Managing Partner of NCCL Auditors and an experienced Auditor and Tax expert with over 12 years of combined work experience some of these with Ernest and Young and Dangote industries Limited

Anna Baliyima is a certified Public accountant registered with the National Board of Accountants and Auditors in Tanzania as an Associates CPA in public Practice and registered with Tanzania Revenue Authority as a tax consultant. She also holds Bachelor of commerce in accounting from University of Dar es Salaam.

She has been managing audit , advisory and tax assignments in the private sectors, the public sector and Non-Government Organization (NGOs).

Eng. Peter Chisawillo

DIRECTOR

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

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

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

CORPORATE GOVERNANCE

We believe in adopting the best practices in Corporate Governance. The Board, Management and NICOL employees are committed to upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the attainment of good governance and excellent performance in any organisation.

Good corporate governance principles are accepted as the drivers of improved corporate performance throughout the world. Responsibility for overseeing the proper implementation of good corporate governance rests with the directors.

Board of Directors

Major Function

The Board is responsible and accountable for providing effective corporate governance, direction, and control of the company. The directors have a duty to exercise leadership, enterprise, integrity, and judgment based on transparency, fairness, accountability, and responsibility.

The Board is responsible for appointing Management, adopting a corporate strategy, policies, procedures and monitoring operational performance including identifying risks impacting the company. It is also responsible for managing good relationships with all shareholders and all other stakeholders including Government.

Board Composition

During the end of year 2019, the Board was made up of five Non-Executive Directors with a mix of skills and experience in various sectors.

Board Member appointments

Members of NICOL Board are appointed by the General Meeting. The appointment shall be preceded by written application from any member or person willing and ready to serve as Director, and meets the criteria, at least 14 days prior to the date of the General Meeting when the appointment is an agenda item.

During the year 2019, the Board received 14 applications for which 5 applicants for the Directorship were shortlisted for the interview, among them the name of Ms Anna Baliyima was selected and ratified at the 5th Annual General Meeting on 26th October 2019.

Resignation

Resignation by a serving Director should be disclosed in the Annual Report together with the details of the circumstances necessitating the resignation.

Board Membership Criteria.

Candidates nominated for election or re election to the Board of Directors are expected to possess the following qualifications:

- a. Personal characteristics:
highest personal and professional ethics, integrity and values; an inquiring and independent mind; and practical wisdom and mature judgment.
- b. Experience at the policy-making level in business, government or education.

CORPORATE GOVERNANCE

- c. Expertise that is useful to the Company and complementary to the background and experience of other Board members. In this regard, previous executive and board experience, an international perspective, vast knowledge in portfolio management and investments.
- d. Willingness to devote the required amount of time to perform the duties and responsibilities of Board membership.
- e. Commitment to serve on the Board to National Investments PLC's principal operations.
- f. Willingness to represent the best interests of all shareholders and objectively appraise investments performance.
- g. No involvement in activities or interests that create conflict with the Director's responsibilities to NICOL and its shareholders.

The Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members in the context of the perceived needs of the Board at a given point in time and shall periodically review and update the criteria as the requirements of the time.

Board Committee

The Board has established three standing committees, Executive Committee, Audit Committee; and Investments Committee whose duties and functions have been set in the company's manual. The Board may also establish such other standing or special committees in accordance with the exigencies of the circumstances

Executive Committee

The Committee assists the Board in fulfilling its oversight responsibilities in accordance with the Articles of Association of the Company. The Committee exercises the powers of the Board in managing the business and affairs of the Company during the intervals between Board meetings, when action by the Board is necessary or desirable but convening a special Board meeting is not warranted or practical.

Audit Committee

The Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the company's financial statements and financial reporting process, systems of accounting and financial controls; the annual external audit of financial statements; performance of the Internal Audit, Risk and Compliance Functions; compliance with legal and regulatory requirements; and compliance with International Financial Reporting Standards and applicable laws, rules and regulations.

Investments Committee

The Investment Committee is responsible for creating and overseeing benchmarks and directives on investments opportunities/ projects to be undertaking, also investment policies, investment plans (short and long term) and budgeting; review of new proposed projects that are to be undertaken as recommended and submitted by the Management before being forwarded to the full Board Meeting for approval; and to measure their potential impact on financial condition of NICOL and assess their suitability in meeting the objectives of NICOL.

Board Meetings

The Board meets quarterly, with additional meetings convened as and when necessary.

During 2019, the Board and its committees met to discuss and decide on the business activities. The Board Committees act on behalf of the Board to direct the company effectively and accelerate the decision-making process.

The number of meetings held over the course of the year is given in brackets:

- Regular Board Meetings (4)
- Extra ordinary Board Meetings (8)
- Audit Committee Meetings
- Investments Committee Meetings (2)
- Special Meetings (3)

Company Secretary

At the end of 2019, the company secretary of the company was Adv. Benjamin Mwakagamba, he was also providing support and guidance to the Board in matters relating to legal counsel, governance and ethical practices including taking notes of the Board meetings. Currently, the role of the company secretary is handled by the Chief Executive Officer.

Communication with Shareholders

The company recognizes that effective communication with stakeholders is essential to good governance.

Shareholders are encouraged to attend the Annual General Meeting of their company, National Investments PLC in order to be conversant of their Company in terms of the Management, performance, financial situation, governance and to interact with other fellow Shareholders and exchange ideas about the Company, especially on investment and development issues for the better development of their company.

CORPORATE GOVERNANCE





EXECUTIVE MANAGEMENT



Mr. Arphaxad G A Masambu

CHIEF EXECUTIVE OFFICER

Mr Arphaxad G. A. Masambu (61) is a Tanzanian. He holds a BA degree in Economics (Hons) from the University of Dar es Salaam (1982 -1985), Graduate Diploma in Economics (1992/1993) and Master of Economics from the Australian National University, Canberra, Australia (1993/1994). He holds a Certificate in Stock Broking and Securities Dealership Business issued by the CMSA in collaboration with GMA Capital Limited of Ireland as trainers under the Securities Industry Certification Courses (SICCs); and a Licence in Capital Markets Development, Stock Broking and Dealership issued by the CMSA. Also, He has a Certificate in Financial Markets Development and Financial Securities Trading (i.e. Bonds and Treasury Bills Trading); and a Certificate in Directorship and Corporate Governance from Tanzania Institute of Directors (IoDT) Certification Programmes (IoDT. Member Reg No. MloDT 041).

He is currently the Chief Executive Officer of National Investments PLC (NICOL). Before joining NICOL he has been able to hold different positions in different capacities as: General Manager of Rasilimali Limited for 7 years; Board Member on the Rasilimali Board for five years; Board Member of TCCIA Investment Company PLC for 13 years; Board Member of the DSE Interim Board for 1½ years; DSE Council Member for 1 year; TOL Board Member for 5½ years, TOL Gases PLC Board Member for 5½ years; He is one of the pioneers of the Dar es Salaam Stock Exchange; The pioneer of Rasilimali Ltd; and a Licenced cum Authorised Dealer Representative of Rasilimali Limited for 19 years as well as the Authorised Investment Advisor for Rasilimali Ltd for 19 years. He is a member of EASEA (East Africa Stock Exchange Association) and Trainer/Resource Person for SITI-East Africa Training Institute (SITI - Securities Industry Training Institute) and Resource Person for CMSA Securities Industry Certification Courses (SICCs)

Mr Masambu has done various local and foreign training and Professional visits such as: Nairobi Stock Exchange, Johannesburg Stock Exchange, Bombay/Mumbai Stock Exchange; India National Stock Exchange and London Stock Exchange. He also worked for Tanzania Investment Bank as Senior / Principal Projects Appraisal Officer for 6 years and as Principal Planning and Development Officer for 4 years. Before that he worked with the Ministry of Labour and Manpower Development as Manpower Planning Officer; and as a Planning and Controlling officer in a World Bank Project namely RIDEP Shinyanga under the Prime Minister's Office.

EXECUTIVE MANAGEMENT



CPA. Erasto G Ngamilaga

CHIEF FINANCIAL OFFICER

CPA Erasto Ngamilaga joined NICOL as the Chief Financial Officer in year 2017. Prior to 2017, CPA Erasto Ngamilaga worked as the Audit Consultant at various Audit Firms. He has over 12 years experience in financial management, administration, strategical and business formulation including tax and project management skills.

Before joining NICOL he was the Credit Risk Manager, Acting Supply Finance Manager at Serengeti Breweries Ltd and worked closely with multinational company Diageo, the company which advocates high standards of operations and code of business conducts.

For over three years, he worked in the Mining Sector as Finance Manager, Cost Accountant, and the project Finance Manager at TanzaniteOne Mining Ltd and left the company on year 2011 to take up other growth opportunities.

Erasto Ngamilaga started his career in 2004 at NMB Plc whereby for the five years he served in various roles in the operation department and Finance Department until year 2008 when he left the Bank as the senior financial analyst. CPA. Erasto Ngamilaga was also appointed as the Team Manager to facilitate transformation process of the NMB Bank.

Mr. Erasto Ngamilaga holds Bachelor of Accounts (BA) from Tanzania Institute of Accountancy (TIA) and is a Certified Public Accountant CPA (T).



National Investments PLC
11 Serengeti Road
Mikocheni "B"
P.O. Box 7465,
Phone: +255 22 2701436/2701348
0682 720 679
E-mail: invest@nicoltz.com

NOTICE OF THE 6th ANNUAL GENERAL MEETING TO THE MEMBERS OF THE NATIONAL INVESTMENTS PLC

Notice is hereby given that the 6th Shareholders' Annual General Meeting of National Investments PLC will be held Online on Saturday, 21st November, 2020 at 10:00am. The agenda will be as follows:

- 6.1. NOTICE AND QUORUM OF THE MEETING
- 6.2. ADOPTION OF THE AGENDA FOR THE 6TH ANNUAL GENERAL MEETING.
- 6.3. CONFIRMATION OF THE MINUTES OF THE 5TH ANNUAL GENERAL MEETING HELD ON 26TH OCTOBER 2019.
- 6.4. MATTERS ARISING FROM THE PREVIOUS MINUTES.
- 6.5. TO RECEIVE, CONSIDER AND ADOPT THE DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2019.
- 6.6. INTERIM DIVIDEND DECLARATION FOR THE INTERIM FINANCIAL YEAR 2020.
- 6.7. TO RECEIVE AND APPROVE THE PROPOSAL FOR DIRECTORS' REMUNERATION.
- 6.8. TO RECEIVE AND APPROVE THE APPOINTMENT OF EXTERNAL AUDITORS FOR THE FINANCIAL YEAR 2020.
- 6.9. TO RECEIVE UPDATES ON THE RECONCILIATION AND IMPLEMENTATION OF THE PROPOSAL FOR ADJUSTMENTS TO THE SHARES REGISTER.
- 6.10. ANY OTHER BUSINESS.

IMPORTANT NOTES:

Members wishing to attend the meeting must submit the following: a copy of his/her depository receipt; National Identity Card or voters ID card or passport.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf in accordance with the provisions of the Articles of the Company. The proxy form must be deposited at the registered office of the company (physical or by email invest@nicol.co.tz) not later than 10.00 am Friday, 20th November 2020.

Proxy forms will be available in NICOL office or can be downloaded from NICOL's website (www.nicol.co.tz).

By Order of the Board

MR. ARPHAXAD GA MASAMBU
CEO/ Company Secretary

PROXY FORM

TO:
The Company Secretary
National Investments Plc
11 Serengeti Road, Mikocheni 'B'
P.O Box 7465
Dar es Salaam

I/We ofbeing a fully paid up member/members of the National Investments PLC and entitled to vote, hereby appointemail.....cellphone No as my/our proxy, to vote for me/us and on my/our behalf at the **6th ANNUAL GENERAL MEETING** of the Company to be held **Online** on Saturday, 21st November 2020, and at my adjournment thereof.

Signed this..... day of2020

Signature(s) of member (s) _____

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

The form must be properly filed in and returned electronically through Company Secretary Email address: invest@nicol.co.tz before Friday 20th November 2020 at 15:00 hours.

COMPANY INFORMATION

		Nationality
BOARD OF DIRECTORS	Dr. Gideon H Kaunda Mrs. Joyce N Nyanza Eng. Ladslaus M Salema (Deceased 11 May 2020) Eng. Peter D Chisawillo Ms Anna John Baliyima	Tanzanian Tanzanian Tanzanian Tanzanian Tanzanian
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	11 Serengeti Road Mikocheni B P.O. Box 7465 Dar Es Salaam Tanzania	
INDEPENDENT AUDITOR	PKF ASSOCIATES TANZANIA P. O. Box 7323 Dar Es Salaam Tanzania	
COMPANY SECRETARY	MR. BENJAMIN S MWAKAGAMBA 11 Serengeti Road, Mikocheni B P. O. Box 7465 Dar Es Salaam Tanzania	
PRINCIPAL BANKERS	NATIONAL MICROFINANCE BANK LIMITED Bank House P.O. Box 9213 Dar Es Salaam Tanzania <hr/> DIAMOND TRUST BANK TANZANIA LIMITED Masaki Branch P.O. Box 115 Dar Es Salaam Tanzania <hr/> AMANA BANK LIMITED Golden Jubilee Tower P.O. Box 9771 Dar Es Salaam Tanzania	

FINANCIAL STATEMENTS



REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements for the year ended 31 December 2019, which discloses the state of affairs of the Company as at that date.

1. INCORPORATION

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

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

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

2. PRINCIPAL ACTIVITY

The principal activity of the Company is to acquire and sell shares of listed and unlisted companies, and establish and manage business enterprises in key sectors of the economy such as manufacturing, financial services, telecommunications, agriculture, mining and other service sectors.

3. SUBSIDIARIES

National Investments Public Limited Company previously owned two subsidiaries as shown below:

Name of company	% of share holding	Status
Tanzania Meat Company Limited (TMCL)	51	Active*
Tanzania Fisheries and Development Company Limited (TF-DCL)	100	Wound up**

*On 27th December 2019, the Minister of livestock and Fisheries took over ownership the assets of TMCL and took control of the management of TMCL which actions resulted in NICOL losing control and the right to consolidate the financial statements of TMCL. Subsequently on 26 May 2020 it was advertised that following the 24 April 2020 TMCL shareholders meeting, it was decided to liquidate TMCL.

**The activities of Tanzania Fisheries Development Company Limited (TFDC) were processing of Fish and its by-products for the export market. Due to its poor performance and dormancy for many years, the Board resolved that the company be liquidated and its assets be disposed off. The company was voluntarily wound up on 19 June 2019.

REPORT OF THE DIRECTORS

4 BOARD OF DIRECTORS

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

Names	Designation	Date of appointment	Nationality
Dr. Gideon H Kaunda	Chairman	14-Apr-12	Tanzanian
Mrs. Joyce N Nyanza	Member	14-Apr-12	Tanzanian
Eng.Ladislous M Salema (Deceased 11 May 2020)	Member	14-Apr-12	Tanzanian
Eng. Peter D Chisawillo	Member	02-Dec-17	Tanzanian
Ms Anna John Baliyima	Member	26-Oct-19	Tanzanian

Directors interest in the shares of the Company

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

Names	No of shares
Dr. Gideon H Kaunda (Chairman)	19,752
Mrs. Joyce N Nyanza (Member)	30,000
Estate of Eng. Ladislous M Salema	11,486

5 SHAREHOLDERS OF THE COMPANY

The following is a list of shareholders who individually owned 0.5% or more of the shares of the Company as of year end.

Name of shareholders	2019		2018	
	%	Number of shares	%	Number of shares
Public Service Social Security Fund	5.3%	3,666,670	5.3%	3,666,670
Government Employees Provident Fund	2.9%	2,000,000	2.9%	2,000,000
David Lang Ross	1.8%	1,274,873	1.8%	1,274,873
Ernest Saronga Massawe	1.2%	808,000	1.2%	808,000
Tanzania Posts Authority	1.2%	800,000	1.2%	800,000
Mark William Njiu	1.0%	716,000	1.0%	716,000
Orbit Securities Co. Ltd ITF Tim Sandeman Staermose	0.9%	647,380	0.9%	647,380
General public	85.7%	59,252,247	85.7%	59,252,247
	100%	69,165,170	100%	69,165,170

6 GOING CONCERN

As of 31 December 2019, the Company realised a net profit of TZS 41.37 million (2018: TZS 1.96 billion) and the Company's current liabilities exceed its current assets by TZS 2.78 billion (2018: TZS 2.44 billion).

REPORT OF THE DIRECTORS

The Company held investments in quoted instruments with a carrying value of TZS 83.69 billion (2018: TZS 84.94 billion). The decrease in value of quoted shares arose out of the reduction in trading activities at the DSE. These quoted instruments can be readily liquidated in order to settle short term obligations as and when they fall due, hence the realization of assets and settlement of liabilities will occur in the ordinary course of business.

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

7 FINANCIAL PERFORMANCE

	2019 TZS.'000	2018 TZS.'000
Profit before tax	167,369	2,099,325
Tax charge	(125,997)	(130,734)
Profit for the year	41,372	1,968,591

The Board is in the process of portfolio diversification to boost and improve profitability of the Company as advised by the shareholders during the 5th Annual General Meeting.

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

8 DIVIDENDS

In year 2017 dividend amounting to TZS 983,871,668 (TZS 14.22 per share) were paid, year 2018 TZS 6 per share dividend were declared and paid amounting to a total of TZS 414,991,020. The Directors do not recommend payment of dividend for the year ended 31 December 2019.

9 STATE OF AFFAIRS

The Company's state of affairs as at 31 December 2019 is set out on page 12 of these financial statements.

10 ADMINISTRATIVE MATTERS

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

11 EMPLOYEE MATTERS

Management/employee relationship

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

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

REPORT OF THE DIRECTORS

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

Retirement benefits

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

12 CORPORATE GOVERNANCE

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

The Company's key aspects of corporate governance include:

The Board of Directors

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

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

Training

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

13 RISK MANAGEMENT

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

The Company's risk management approach is that:

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

REPORT OF THE DIRECTORS

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

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

14 RELATED PARTY TRANSACTIONS

Details of transactions with related parties are disclosed in note 19 of the financial statements.

15 INDEPENDENT AUDITOR

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

BY ORDER OF THE BOARD



Dr. Gideon H Kaunda
CHAIRMAN



Mrs. Joyce N Nyanza
DIRECTOR

30/04/

2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2019 and of the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002.

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

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

Approved by the Board of Directors on 30/04/2020 and signed on its behalf by:



Dr. Gideon H Kaunda
CHAIRMAN



Mrs. Joyce N Nyanza
DIRECTOR

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

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

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

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

In regard thereof, I ERASTO G. NGAMILAGA being the Head of Finance/Accounting of National Investments Public Limited Company hereby acknowledge my responsibility of ensuring that the Company's financial statements for the year ended 31 December 2019 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by: 

Position: CHIEF FINANCIAL OFFICER.

NBAA Membership No.: 1878

Date: 30 April 2020

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Qualified Opinion in respect of limitation of scope to consolidate results and cash-flows of Tanzania Meat Company limited

We have audited the Company financial statements of National Investments Public Limited Company, set out on pages 11 to 34 which comprise the Company statement of financial position for the year ended 31 December 2019, and the Company statement of profit or loss and other comprehensive income, Company statement of changes in equity and Company statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the Company's financial position for the year ended 31 December 2019, and the Company financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Tanzania Companies Act, 2002.

Basis for Qualified Opinion

As described in Note 25 to the financial statements, on 27 December 2019, The Ministry of Livestock and Fisheries took over the management and control of Tanzania Meat Company Limited (TMCL), the company's former 51 % owned subsidiary. Following the takeover, the company lost control and ability to consolidate the activities and results of operations of Tanzania Meat Company Limited for the year as required under International Financial Reporting Standard No. 10 and the Tanzania Companies Act, 2002. The non-presentation of consolidated financial statements is therefore not in compliance with the requirements of International Financial Reporting Standard No.10 with regard to the requirement to present Group financial statements.

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

Emphasis of matter: Reissuance of amended financial statements and audit report

We draw attention to Note 1 (a)(i) to the financial statements, which indicates that the financial statements have been revised and reissued following the public notice in the daily newspapers dated 26 May 2020 following the shareholders of Tanzania Meat Company Limited decision of 24 April 2020 to liquidate the Tanzania Meat Company Limited (TMCL). This audit report on the revised financial statements supersedes our previous audit report dated 4 May 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company financial statements. 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 the matter described below to be a key audit matter to be communicated in our report.

We have determined the matter described in the Basis for Qualified Opinion section of our report, regarding the takeover of the company's subsidiary company by the Ministry of Livestock and Fisheries and the subsequent decision on 24 April 2020 to liquidate TMCL as described in Note 25 to the financial statements to be a key audit matter.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY (cont'd)

We addressed this matter through review of correspondence with Ministry of Livestock and Fisheries, Board of Directors minutes review and performance of subsequent review procedures.

Other information

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

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

Responsibilities of Directors for the Financial Statements

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

In preparing the financial statements, the Directors are responsible for assessing the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identify and assess the risks of material misstatement of the 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Conclude on the appropriateness of the Director's use of the going concern basis of accounting and based on the audit evidence obtained, assess whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities of the Company to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

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

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

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

Report on other matters prescribed by the Tanzania Companies Act 2002

In our opinion the information given in the report of the directors on pages 2 to 5 is consistent with the financial statements.

As required by the Tanzania Companies Act, 2002 we report to you, based on our audit, that except for the matter stated in the basis for Qualified Opinion paragraph above:

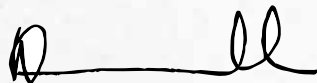
- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- (iii) the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.



Certified Public Accountant Tanzania
CPA Mustansir Gulamhussein, Practising certificate No. 1810
Signing partner responsible for the independent audit
PKF Associates Tanzania
REF: PKF/A/T017/032/18/mg

Date: 04/05/ 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2019 TZS '000	2018 TZS '000
Investment income	2	2,492,138	2,538,906
Other income	3	335,899	1,262,368
Administrative expenses		(2,417,859)	(1,548,345)
Other operating expenses		(171,035)	(147,479)
Operating profit	4	239,143	2,105,450
Finance costs	6	(71,774)	(6,125)
Profit before taxation		167,369	2,099,325
Tax charge	7	(125,997)	(130,734)
Profit for the year		41,372	1,968,591
Other comprehensive (loss)/income:			
Available for sale financial assets			
Net change in fair value loss of available for sale financial assets	20	(1,238,287)	(13,628,366)
Total comprehensive loss		(1,196,916)	(11,659,776)
Dividend:			
Declared dividends for the year:	8	(414,991)	(983,872)
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	12	0.77	52
Diluted earnings per share	12	0.60	28

The notes on pages 15 to 34 form an integral part of these financial statements
Report of the independent auditor - page 8 to 10.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

STATEMENT OF FINANCIAL POSITION

	Notes	2019 TZS '000	2018 TZS '000
Equity			
Share capital	9	8,645,647	4,730,153
Share premium	10	647,342	4,562,836
Retained earnings		(828,472)	(454,853)
Available for sale investments reserve		74,195,526	75,433,814
Equity attributable to owners of the company		82,660,043	84,271,950
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	13	1,739,795	1,778,972
Investment securities	20	83,699,181	84,937,469
Investment in subsidiary	21	-	-
		85,438,976	86,716,441
Current assets			
Trade and other receivables	15	24,305	886,253
Cash and cash equivalents	16	72,638	610,394
		96,943	1,496,646
Current liabilities			
Trade and other payables	17	1,867,544	2,303,637
Other liability	14	1,008,332	1,237,500
Borrowings	11	-	400,000
		2,875,876	3,941,137
Net current liabilities		(2,778,933)	(2,444,491)
		82,660,043	84,271,950

The financial statements on pages 11 to 34 were approved and authorised for issue by the Board of Directors on 30/04/2020 and were signed on its behalf by:



Dr. Gideon H Kaunda
DIRECTOR



Mrs. Joyce N Nyanza
DIRECTOR

The notes on pages 15 to 34 form an integral part of these financial Report of the independent auditor - page 8 to 10.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2019

As start of year

Profit for the year:

Other comprehensive income for the year, net of income tax:

Available for sale financial assets

Net change in fair value of available for sale financial assets

Transactions with owners:

Transfer to share capital

Dividends:

-2018 dividends

At end of year

Note	Share capital TZS '000	Share premium TZS '000	Available for sale investments reserve TZS '000	Retained earnings TZS '000	Total TZS '000
	4,730,153	4,562,836	75,433,814	(454,853)	84,271,949
	-	-	-	41,372	41,372
20	-	-	(1,238,288)	-	(1,238,288)
10	3,915,494	(3,915,494)			-
8				(414,991)	(414,991)
	8,645,647	647,342	74,195,526	(828,472)	82,660,043

Year ended 31 December 2018

As start of year

Profit for the year:

Other comprehensive income for the year, net of income tax:

Available for sale financial assets

Net change in fair value of available for sale financial assets

Transactions with owners:

Dividends:

-2017 dividends

At end of year

Note	Share capital TZS '000	Share premium TZS '000	Available for sale investments reserve TZS '000	Retained earnings TZS '000	Total TZS '000
	4,730,153	4,562,836	89,062,180	(1,439,572)	96,915,597
	-	-	-	1,968,591	1,968,591
20	-	-	(13,628,366)	-	(13,628,366)
8				(983,872)	(983,872)
	4,730,153	4,562,836	75,433,814	(454,853)	84,271,950

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

STATEMENT OF CASH FLOWS

	Notes	2019 TZS '000	2018 TZS '000
Operating activities			
Cash from operations	18	420,852	2,375,446
Tax paid		(125,997)	(130,734)
Net cash from operating activities		294,855	2,244,712
Investing activities			
Cash paid for purchase of property, plant and equipment	13	(18,490)	(1,681,264)
Proceeds from disposal of property, plant and equipment		871	-
Net cash used in investing activities		(17,619)	(1,681,264)
Financing activities			
Repayments of borrowings	11	(400,000)	(569,460)
Dividend paid	8	(414,991)	(983,872)
Net cash used in financing activities		(814,991)	(1,553,332)
Decrease in cash and cash equivalents		(537,756)	(989,884)
Movement in cash and cash equivalents			
At start of year		610,394	1,600,278
Decrease in cash and cash equivalents		(537,756)	(989,884)
At end of year	16	72,638	610,394

The notes on pages 11 to 34 form an integral part of these financial statements

Report of the independent auditor - page 8 to 10.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES**1. SIGNIFICANT ACCOUNTING POLICIES**

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

These financial statements comply with the requirements of the Tanzanian Companies Act, 2002. The statement of profit or loss and statement of comprehensive income represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

a) Basis of preparation

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

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

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

Going concern

The financial performance of the company is set out in the Director's report and in the statement of profit or loss and the other comprehensive income. The financial position of the company is set out in the statement of financial position. Disclosures in respect of risk and capital management are set out in note 22 and 23.

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****i) Reissuance of financial statements and audit report**

The previously issued financial statements of the Company for the year ended 31 December 2019 dated 4 May 2020 have been withdrawn and are replaced by these financial statements. The revision was necessitated following the public notice in the dailies dated 26 May 2020 following the decision of the shareholders of the Tanzania Meat Company Limited of 24 April 2020 to appoint a liquidator to liquidate Tanzania Meat Company Limited (TMCL). (Refer to Note 27 - subsequent events)

As a result of the decision to liquidate Tanzania Meat Company Limited, the reissued financial statements have been amended as follows:

The amount receivable from TMCL amounting to TZS 1,215,315,665 which was previously 50% impaired has been fully impaired in these reissued financial statements (refer to Note 15 Trade and other receivables), with a corresponding decrease in profit for the year as detailed below.

	TZS "000"
Profit for the year per withdrawn financial statements issued on 4 May 2020	649,029
Additional 50% impairment of TMCL debt	(607,658)
Profit for the year per these financial statements	41,371

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

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

- Amendments to IAS 12 'Income Taxes' effective for annual periods beginning on or after 1 January 2019 clarifying on the recognition of income tax consequences of dividends.
- Amendments to IAS 19 'Employment Benefits' effective for annual periods beginning on or after 1 January 2019 clarifying the effects of retirement benefit plan amendment, curtailment or settlement.
- Amendments to IAS 23 'Borrowing Costs' effective for annual periods beginning on or after 1 January 2019 clarifying that specific borrowings remaining unpaid at the time the related asset is ready for its intended use or sale will comprise general borrowings.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' effective for annual periods beginning on or after 1 January 2019 clarifying that IFRS 9 is only applicable to investments to which the equity method is not applied.
- Amendments to IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangements' effective for annual periods beginning on or after 1 January 2019 in relation to remeasurement of previously held interests on joint operation on obtaining control.
- Amendments to IFRS 9 'Financial Instruments' effective for annual periods beginning on or after 1 January 2019 clarifying that the existence of prepayment features with negative compensation will not in itself cause the instrument to fail the amortised cost classification.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****a) Basis of preparation (continued)**

- IFRS 16 'Leases' (issued in January 2017) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (issued June 2017) effective for annual periods beginning on or after 1 January 2019 clarifies the accounting for uncertainties in income taxes.
- In respect of impairment of financial assets, IFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract.
- In respect of hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risks.
- IFRS 15 'Revenue from Contracts with Customers' (issued in May 2014) effective for annual periods beginning on or after 1 January 2018, replaces IAS 11 'Construction Contracts', IAS 18 'Revenue' and their interpretations (SIC-31 and IFRIC 13,15 and 18). It establishes a single and comprehensive framework for revenue recognition based on a five-step model to be applied to all contracts with customers, enhanced disclosures, and new or improved guidance.
- IFRS 16 'Leases' (issued in January 2016) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

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

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

b) Key sources of estimation uncertainty

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****d) Revenue recognition**

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

i) Dividend income

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

ii) Interest income

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

e) Property, plant and equipment

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

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Leasehold land is not depreciated.

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

	Rate %
Motor vehicles	25
Furniture, fittings and office equipment	25

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

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

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

f) Translation of foreign currencies

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****g) Financial instruments**

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

- Financial assets

The company classifies its financial assets into the following categories:

i) Amortised cost;

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

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

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

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

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

Notwithstanding the above, the Company may:

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**g) **Financial instruments (continued)**

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

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

Impairment

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

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

No impairment loss is recognised on investments measured at FVTPL.

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

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****g) Financial instruments (continued)**

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

- Financial liabilities

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

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

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

Offsetting financial instruments

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

h) Cash and cash equivalents

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

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

i) Interest cost

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**j) **Borrowing costs**

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

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

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

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

k) **Taxation**

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

Current tax

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

Deferred tax

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****l) Pension obligations**

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

m) Share capital

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

n) Dividends

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

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

o) Provisions

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

p) Earning per Share

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

q) Investment in subsidiary

Investment in subsidiary is recognised at cost less any accumulated impairment losses.

r) Comparatives

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**2. Revenue from investment**

- Dividend income
- Interest income

	2019	2018
	TZS '000	TZS '000
	2,458,152	2,475,713
	33,986	63,192
	2,492,138	2,538,906

3. Other income

- Creditors written off - TFDC
- Creditors written off - NICOL
- Provisions written back - Exim bank (Note 11)
- Gain on disposal of furniture and fittings
- Provisions written back
- Miscellaneous income

	-	769,856
	309,853	11,678
	-	469,460
	374	-
	23,422	-
	2,250	11,375
	335,899	1,262,368

4. Operating profit

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

- Depreciation on property, plant and equipment (Note 14)
- Auditor's remuneration:
- Creditors written off - TFDC
- Creditors written off - NICOL
- Provisions written back - Exim bank (Note 11)
- Impairment of receivable from TMCL
- Legal and professional fees
- Directors fees
- Directors expenses
- CEO bonus
- Staff costs (Note 5)

	57,171	43,349
	26,998	26,916
	-	(769,856)
	(309,853)	(11,678)
	-	(469,460)
	1,215,316	-
	125,073	305,987
	54,000	54,000
	118,998	64,585
	56,944	56,944
	645,453	611,399

5. Staff costs

- Salaries and wages
- NSSF expenses
- Gratuity
- Other staff costs

	450,475	402,905
	31,706	22,807
	68,533	97,998
	94,739	87,688
	645,453	611,399

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**6. Finance costs**

Net foreign exchange gain
Interest expenses on bank overdraft
Short term loan processing fee

	2019	2018
	TZS '000	TZS '000
	61,402	8,943
	12,550	-
	71,774	6,125

7. Tax

Current tax
5% final withholding tax on dividends earned
10% withholding tax on interest earned

	2019	2018
	TZS '000	TZS '000
	122,908	124,415
	3,090	6,319
	125,997	130,734

The tax on the profit before tax differs from

the theoretical amount that would arise using
the basic rate as follows:

Profit before tax
Tax calculated at a tax rate of 30% (2018: 30%)

Tax effect of:

- income not subject to tax
Effect of 5% final tax on dividend income
Effect of 10% final tax on interest income

Tax Charge

	167,369	2,099,325
	50,211	629,798
	(50,211)	(629,798)
	122,908	124,415
	3,090	6,319
	125,997	130,734

8. Dividends

Declared dividends

	414,991	983,872
--	---------	---------

In year 2017 dividend amounting to TZS 983,871,668 (TZS 14.22 per share) were paid, year 2018 TZS 6 per share dividend were declared and paid amounting to a total of TZS 414,991,020. The Directors do not recommend payment of dividend for the year ended 31 December 2019.

Dividends are not recognised as a liability until they have been approved at the Annual General Meeting.

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**9. Share capital****Authorised**

1,600,000,000 Ordinary shares of TZS 125 each

Issued and fully paid

69,165,170 (2018: 37,841,217) Ordinary shares of TZS 125 each

	2019	2018
	TZS '000	TZS '000
	200,000,000	200,000,000
	8,645,646	4,730,152

Following the recommendation arising from the 5th Annual General Meeting held on 26 October 2019, and a follow up by the Capital Markets and Securities Authority on 6 December 2019, the Board was tasked with reconciling the number of shares reflected in the Dar Es Salaam Stock Exchange Register of 69,178,134 with the number in the Company's records of 37,141,218. Arising therefrom, the sanctioned one additional share for each paid up share in the 2005 register has been affected and recorded through the share premium account in the Company's records on the authority of the 5th Annual General Meeting.

10. Share premium

Share premium

Transaction costs- net of tax

Transfer to share capital (Note 9)

	2019	2018
	Tshs.'000	Tshs.'000
	4,921,388	4,921,388
	(358,552)	(358,552)
	4,562,836	4,562,836
	(3,915,494)	-
	647,342	4,562,836

11. Borrowings**Current liabilities**

Bank overdraft - Exim Bank Tanzania Limited

Exim Bank (Tanzania) Limited

National Investments Public Company Limited had a disputed overdraft balance with Exim Bank (Tanzania) Limited amounting to TZS 300,000,000 at an interest rate of 19% per annum. The loan had accrued interest of TZS 669,460,000 as at 30 June 2018. The loan was not secured by any assets of the company. In 2018, the company entered into an out of court settlement agreement for an amount of TZS 500,000,000 in full settlement of the outstanding payable balance. As per the deed of settlement, TZS 100 million was paid on 6 November 2018, and the final TZS 400 million was cleared on 15 July 2019.

	2019	2018
	TZS '000	TZS '000
	-	400,000

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**12. Earnings per share Basic earnings per share**

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

	2019 TZS '000	2018 TZS '000
Profit attributable to equity holders	41,372	1,968,591
Weighted average number of ordinary shares	53,503,194	37,841,218
Earnings per share	0.77	52

Diluted earnings per share

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

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

	2019 TZS '000	2018 TZS '000
Profit attributable to equity holders	41,372	1,968,591
Weighted average number of ordinary shares	69,165,170	69,165,170
Earnings per share	0.60	28

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**13. Property, plant and equipment Year ended 31 December 2019 Company**

	Capital work in progress TZS '000	Motor vehicles TZS '000	Furniture and fittings TZS '000	Total TZS '000
Cost				
At start of year	1,600,000	171,386	123,583	1,894,969
Additions	-	-	18,490	18,490
Disposals	-	-	(1,322)	(1,322)
At end of year	1,600,000	171,386	140,751	1,912,137
Depreciation				
At start of year	-	69,924	46,073	115,997
Eliminated on disposal	-	-	(826)	(826)
Charge for the year	-	36,179	20,992	57,171
At end of year	-	106,103	66,239	172,342
Net book value	1,600,000	65,283	74,512	1,739,795

Year ended 31 December 2018**Company**

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)14. **Other liability****Current liability**

Liability for purchase of property

	2019 TZS '000	2018 TZS '000
Liability for purchase of property	1,008,332	1,237,500

In 2018 NICOL management entered into an agreement for purchase of a building in the process of construction on a 1,200 Sqm plot No. 818 in Msasani Peninsula for a cost of TZS 1.6 billion. The company had paid TZS 591,667,800 towards the purchase of this property as of year end. The TZS 1,008,332,000 balance was cleared in 2020.

15. **Trade and other receivables**

Other receivables

Receivable from TMCL (Note 19 (I))

Impairment of receivable from TMCL

Net trade and other receivable

Prepayments

Trade and other receivables

	2019 TZS '000	2018 TZS '000
Other receivables	15,349	39,582
Receivable from TMCL (Note 19 (I))	1,215,316	816,332
Impairment of receivable from TMCL	(1,215,316)	-
Net trade and other receivable	15,349	855,913
Prepayments	8,956	30,339
Trade and other receivables	24,305	886,253

Following the take over of Tanzania Meat Company Limited (TMCL) by the government on 27 December 2019 and subsequent decision to wind up TMCL, 100% of the TMCL receivable has been impaired.

In the opinion of directors, the carrying amounts of trade and other receivables approximate their fair values.

The carrying amount of the company's trade and other receivables is denominated in Tanzanian shillings:

Tanzania shilling

	2019 TZS '000	2018 TZS '000
Tanzania shilling	24,305	886,253

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**16. Cash and cash equivalents**

	2019 TZS '000	2018 TZS '000
Cash in hand	759	6
Bank balances	71,879	110,388
Fixed deposit	-	500,000
	72,638	610,394

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

	2019 TZS '000	2018 TZS '000
Cash at bank and in hand	72,638	610,394

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

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

	2019 TZS '000	2018 TZS '000
Tanzania Shilling	71,510	579,442
US Dollar	1,128	30,951
	72,638	610,394

17. Trade and other payables

	2019 TZS '000	2018 TZS '000
Other payables	610,584	1,119,367
Accruals	391,145	321,657
Dividends payable	865,815	862,613
	1,867,544	2,303,637

In the opinion of the directors, the carrying amount of trade and other payables approximate to their fair values.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**17. Trade and other payables (continued)**

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

	2019 TZS '000	2018 TZS '000
Tanzania Shilling	1,299,632	1,735,725
US Dollar	567,912	567,912
	1,867,544	2,303,637

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

Company Year ended 31 December 2019	0 to 1 month TZS '000	2 to 3 months TZS '000	4 to 12 months TZS '000	Total TZS '000
Other payables	-	-	610,584	610,584
Accruals	352,031	39,115	-	391,145
Dividend payable	-	-	865,815	865,815
	352,031	39,115	610,584	1,867,544

**Company
Year ended 31 December 2018**

Other payables	-	-	1,119,367	1,119,367
Accruals	289,491	32,166	-	321,657
Dividend payable	-	-	862,613	862,613
	289,491	32,166	1,981,981	2,303,638

18. Cash from operations

Reconciliation of the profit before tax to cash from operations:

Profit before tax

Adjustments for:

Depreciation on property, plant and equipment (Note 13)

Gain on disposal of furniture and fitting (Note 3)

Changes in working capital:

- trade and other receivables
- trade and other payables
- Other liability

Cash from operations

	2019 TZS '000	2018 TZS '000
Profit before tax	167,369	2,099,325
Depreciation on property, plant and equipment (Note 13)	57,171	43,349
Gain on disposal of furniture and fitting (Note 3)	(375)	-
Changes in working capital:		
- trade and other receivables	861,948	(158,829)
- trade and other payables	(436,093)	(595,899)
- Other liability	(229,168)	987,500
Cash from operations	420,852	2,375,446

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**19. Related party transactions**

National Investments Public Limited Company (NICOL) is incorporated in Tanzania and owned 51% of Tanzania Meat Company Limited (TMCL) with the remaining 49% of the TMCL shares being held by National Ranching Company Limited (NARCO). On 27 December 2019, the Ministry of Livestock and Fisheries took over the company's 51% subsidiary company (Tanzania Meat Company Limited) and subsequently on 24 April 2020 as advertised in a public notice of 26 May 2020, TMCL was put under liquidation

The activities of Tanzania Fisheries Development Company Limited (TFDC) were processing of Fish and its by-products for the export market. Due to its poor performance and dormancy for many years, the Board resolved that the company be liquidated and its assets be disposed off. The company was voluntarily wound up on 19 June 2019.

The following transactions were carried out with related parties

(i) Purchase of services

- Legal and professional fees

(ii) Key management compensation

- Salaries
- Gratuity
- Bonus

(iii) Directors' benefits and other remuneration

- Director expenses
- Director's fees

The following balance arose from transactions with related parties:

(iv) Receivable from related party (Note 15)

- Tanzania Meat Company Limited
- Impairment of receivable from TMCL

	2019 TZS '000	2018 TZS '000
	125,073	305,987
	329,693	329,693
	68,533	97,998
	56,944	56,944
	118,998	64,585
	54,000	54,000
	1,215,316	816,332
	(1,215,316)	-
	-	816,332

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)20. **Investment securities**

	2019 TZS '000	2018 TZS '000
At start of the year	84,937,469	98,565,835
Fair value (loss)/gain for the year	(1,238,288)	(13,628,366)
At end of the year	83,699,181	84,937,469

These relate to investments in securities quoted and traded on the Dar Es Salaam Stock Exchange (DSE).

The market prices of these securities are available to the general public.

	% interest held	2019 TZS '000	2018 TZS '000
NMB Shares	6.6	77,335,877	77,335,877
Tanzania Breweries Limited	0.12	3,943,729	4,667,349
Simba Cement Shares	0.06	24,186	25,798
CRDB Shares	0	27,259	43,041
Swissport Plc Shares	0.01	5,376	8,938
TCC Shares	0.01	130,560	130,560
Twiga Cement Shares	0.03	122,080	125,742
DSE Shares	6.35	1,260,114	1,800,163
Vodacom		850,000	800,000
		83,699,181	84,937,469

21. **Investment in subsidiary**

	2019 %	2018 %	2019 TZS '000	2018 TZS '000
Tanzania Meat Company Limited	51	51	1,296,856	1,296,856
Tanzania Fisheries Development Company LTD	100	100	3,027,264	3,027,264
Provision for impairment			(4,324,120)	(4,324,120)

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**21. Investment in subsidiary (continued)****Tanzania Meat Company Limited**

On 27 December 2019, the Ministry of livestock and Fisheries took over the assets of Tanzania Meat Company Limited and took control of management of the Tanzania Meat Company Limited which action resulted in National Investments Plc losing control over Tanzania Meat Company Limited leading to non consolidation of the financial statement of TMCL. Following a subsequent TMCL shareholders meeting of 24 April 2020 and public notice of 26 May 2020, TMCL was put under liquidation.

Tanzania Fisheries Development Company Limited (TFDC)

The activities of Tanzania Fisheries Development Company Limited (TFDC) were processing of Fish and its by-products for the export market. Due to its poor performance and dormancy for many years, the Board resolved that the company be liquidated and its assets be disposed off. The company was voluntarily wound up on 19 June 2019.

22. Risk management objectives and policies Financial risk management

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

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

Risk management is carried out by the management.

(a) Market risk**Foreign exchange risk**

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**22. Risk management objectives and policies Financial risk management (continued)**

	2019	2018
	TZS '000	TZS '000
Assets		
Cash and bank balance	1,128	30,951
Trade and other receivables	-	-
Liabilities		
Borrowings	-	-
Trade and other payables	(567,912)	(567,912)
Net exposure	(566,784)	(536,961)
Pre tax effect on gain	(5,668)	(5,370)
Tax	(1,700)	(1,611)
Decrease	(3,967)	(3,759)

Price risk

The Company is exposed to equity securities price risk arising from investments.

Interest rate risk

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

(b) Credit risk

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**22. Risk management objectives and policies Financial risk management (continued)****(b) Credit risk (continued)**

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

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

(c) Liquidity risk

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

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

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

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

Year ended 31 Dec 2019	Between 1 - 3 months TZS.'000	Between 3 months - 1 year TZS.'000	Between 1 - 5 year TZS.'000	More than 5 years TZS.'000	Total TZS.'000
Borrowings	-	-	-	-	-
Trade and other payables	-	1,867,544	-	-	1,867,544
Other liability	1,008,332	-	-	-	1,008,332
	1,008,332	1,867,544	-	-	2,875,876
Year ended 31 Dec 2018					
Borrowings	400,000	-	-	-	400,000
Trade and other payables	-	2,303,637	-	-	2,303,637
Other liability	1,237,500	-	-	-	1,237,500
	1,637,500	2,303,637	-	-	3,941,137

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**22. Risk management objectives and policies Financial risk management (continued)****(d) Fair value measurements**

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

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

Year ended December 2019

	Level 1 TZS.'000	Level 2 TZS.'000	Level 3 TZS.'000
Assets			
Property, plant and equipment	-	-	1,778,972
Investment securities	84,937,469	-	-
	84,937,469	-	1,778,972

Year ended 31 December 2018

	Level 1 TZS.'000	Level 2 TZS.'000	Level 3 TZS.'000
Assets			
Property, plant and equipment	-	-	1,778,972
Investment securities	84,937,469	-	-
	84,937,469	-	1,778,972

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**23. Capital management**

The group's objectives when managing capital are:

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

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

The gearing ratios for the period ended 31 December 2019 and 31 December 2018 were as follows:

	2019 TZS '000	2018 TZS '000
Total borrowings	-	400,000
Less: Cash and cash equivalents (Note 20)	(72,638)	(610,394)
Net debt	(72,638)	(210,394)
Total equity	82,660,043	84,271,950
Gearing ratio	(0.00)	(0.00)

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES (cont'd)**24. Contingent liabilities**

In a notification by the company to the Capital Market and Securities Authority (CMSA) of 31 December 2019, it was noted that on 27 December 2019, the Ministry of Livestock and Fisheries expropriated the company's 51% subsidiary company (Tanzania Meat Company Limited) and demanded that NICOL may be liable to further liabilities. NICOL board is of the view that this action is legally untenable and NICOL will take necessary steps to protect its shareholders' interests.

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

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

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

25. Take over of Tanzania Meat Company Limited (TMCL) by Government

As per notification by the Company to the Capital Markets and Securities Authority (CMSA) of 27 December 2019, the Ministry of Livestock and Fisheries took over the control and management of the company's 51% subsidiary company (Tanzania Meat Company Limited). In respect thereof, the Company lost control of TMCL to the Government and has not presented consolidated accounts. Subsequent to this, in an advertisement in the local dailies following the TMCL shareholders meeting of 24 April 2020, TMCL was put under liquidation.

26. Capital Commitments

The company has invested TZS 1.6 billion for purchase of a building in the process of construction on a 1,200 sqm Plot 818 in Msasani Peninsula. As of the year end the total amount paid for this property was TZS 591,667,800. The balance of TZS 1,008,320,000 was paid on 7 February 2020. As of the time of sign off these financial statements, the Company was in the process of registering the property's title in its own name.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

NOTES *(cont'd)***27. Subsequent events**

As advertised in the local dailies on 26 May 2020, on 24 April 2020 the shareholders of Tanzania Meat Company Limited decided to appoint a liquidator to liquidate Tanzania Meat Company Limited (TMCL).

28. Incorporation

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

29. Presentation currency

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

30. Preparation of Consolidation of financial statements

The take over of TMCL by the Government on 27 December 2019 has lead to NICOL losing the right to Consolidate the financial statements of TMCL.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

Annual report and financial statements for the year ended 31 December 2019

SCHEDULE OF EXPENDITURE

1. ADMINISTRATIVE EXPENSES	2019 TZS.'000	2018 TZS.'000
Employment:		
Salaries and wages	450,475	402,905
NSSF expenses	31,706	22,807
Gratuity	68,533	97,998
Other staff costs	94,739	87,688
Total employment costs	645,453	611,399
Other administrative expenses:		
Travelling expenses	36,388	100,362
Motor vehicles running expenses	14,920	11,910
Printing and stationery	2,808	6,190
Legal and professional fees	125,073	305,987
Re - listing expenses	-	68,951
Dividend processing fees	31,669	94,336
Postage and telephone	16,687	13,678
Annual general meeting	99,171	108,515
Directors expenses	118,998	64,585
Directors fees	54,000	54,000
Office expenses	6,103	6,919
Bank charges	4,352	3,464
Audit fees:		
- Current year	26,998	26,916
- Prior year	-	13,051
Advertisement expenses	19,924	40,894
TFDC Support expenses	-	17,190
Impairment of receivable from TMCL	1,215,316	-
Total other administrative expenses	1,772,406	936,946
Total administrative expenses	2,417,859	1,548,345
2. OTHER OPERATING EXPENSES		
Establishment:		
Short term leases	53,832	55,764
Security expenses	7,420	7,340
Insurance expenses	6,040	6,859
Electricity and water	6,925	5,827
Licenses and subscriptions	36,093	15,545
Repairs and maintenance	3,554	12,794
Depreciation of property, plant and equipment	57,171	43,349
Total other operating expenses	171,035	147,479



The Economic Shield of The Nation

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