

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

TABLE OF CONTENTS	Page
Corporate information	1
The report by those charged with governance	2 – 22
Statement of Directors' responsibilities	23
Declaration of the Chief Finance Officer	24
Independent Auditor's report	25 – 28
Financial statements:	
Statement of profit or loss and other comprehensive income	29
Statement of financial position	30 - 31
Statement of changes in equity	32 – 33
Statement of cash flows	34
Notes to the financial statements	35 – 87

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CORPORATE INFORMATION

1. DIRECTORS

The Directors who served in office during the year and to the date of this report are shown on page 5.

2. REGISTERED OFFICE

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

3. BANKERS

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

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

4. AUDITOR

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

5. MAIN LAWYER

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

6. COMPANY SECRETARY

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of National Investments Public Limited Company (the "Company" or "National Investments PLC" or "NICOL") and its subsidiary Nico Land Development Company Ltd (together, the 'Group').

1. INCORPORATION

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

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

2. VISION

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

3. MISSION

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

4. PRINCIPAL ACTIVITIES

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

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

5. CORPORATE GOVERNANCE STATEMENT

The Company is committed to maintain high standards of corporate governance which enhance performance, reduce risks and promote the protection of our shareholders' interests. The Board recognizes that sound and effective corporate governance is essential to the long-term success of the organization, creating trust and ensuring positive relationships with our stakeholders. NICOL has a comprehensive range of policies and procedures in place designed to ensure that it is well managed, with effective oversight and controls.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

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

During the year we have undertaken steps to ensure ongoing compliance with Corporate Governance Code and related Guidelines. Throughout the year ended 31 December 2023, the Company has endeavoured to apply the core governance principles to comply with the provisions of the Code. The Board is committed to ensuring that the Company complies with the laws, regulations, and standards applicable to the industry. The Board ensures that high standards and practices in Corporate Governance and more specifically the principles, practices and recommendations set out under the Code of Corporate Governance Practices for Listed Companies, 1994 (Capital Markets and Securities Authority (CMSA) Principles of Good Corporate Governance Practices), the Corporate Governance Regulations 2021 as well as the laws governing the establishment of the Collective Investment Scheme in safeguarding interest of all shareholders.

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

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

6. OUR CORPORATE GOVERNANCE FRAMEWORK

Our corporate governance framework enables the Board to oversee the strategic direction of the organization, financial goals, resource allocation, risk appetite and to hold the executive management accountable for execution.

This statement details the key corporate governance arrangements and practices of National Investments Plc and its affiliate company. The statement sets out the key components of NICOL corporate governance framework, which provides guidance to the Board, management and employees and defines roles, responsibilities and expected behaviours and conduct standards.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

NICOL'S GOVERNANCE FRAMEWORK

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

NICOL is governed by the Board of Directors. The appointment of directors is regulated by the Memorandum and Articles of Association (MEMARTS) of the Company and guidelines issued by the Capital Markets and Securities Authority and the Capital Markets and Securities Act of 1994.

The Board is accountable to the shareholders for the overall performance and is collectively responsible for long-term success of NICOL. 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 composed of six directors, who are Independent Non-Executive Directors. The Board is assisted in fulfilling its responsibilities by three principal committees. Executive Committee, Audit and Risk Committee, and Investment and Financing Committee. The relevant committees assist the Board to undertake its duties effectively and efficiently in line with the strategic priorities.

The Board Charter

NICOL has Board's Charter with terms of references which provide for a clear definition of the roles and responsibilities of the Company's Board Chairman, Directors as well as the Company Secretary. The roles and responsibilities of the Company's Board Chairman and the Chief Executive Officer are separate and distinct with a clear division of responsibility between the running of the Board and the executive responsibility of strategy execution and running of the Company.

7. COMPOSITION OF THE BOARD OF DIRECTORS

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7. COMPOSITION OF THE BOARD DIRECTORS (CONTINUED)

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

As of the date of this report and for the year ended 31 December 2023, the Board of Directors ("the Board") comprised six Directors all of whom are Non-Executive Directors.

Name	Position	Nationality	Date of appointment
Dr. Gideon H. Kaunda	Chairman	Tanzanian	Re-appointed on 12 November 2022)
CPA George M.J. Nchwali	Director	Tanzanian	Appointed - 11-Feb-22
CPA Oswald M. Urassa	Director	Tanzanian	Appointed- 11-Feb-22
Ms. Kissa V. Kilindu	Director	Tanzanian	Appointed - 11-Feb-22
Ms. Rehema A. Tukai	Director	Tanzanian	Appointed - 11-Feb-22
Eng. Boniface G. Nyamo-Hanga	Director	Tanzanian	Appointed- 11-Feb-22

8. COMPANY SECRETARY

The Company Secretary as at 31 December 2023 is Mr. Benjamin S. Mwakagamba and he provides support and guidance to the Board in matters relating to governance and ethical practices.

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9. BOARD COMMITTEES

The Board places significant reliance on its committees by delegating a broad range of responsibilities and issues to them to achieve effective independent oversight and stewardship. It therefore remains crucial that effective linkages are in place between the committees and the Board as a whole, as it is impracticable for at least one non-executive Directors to be members of at least each Committee.

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

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

- i. Board Executive Committee (BEC)
- ii. Board Audit and Risk Committee (BARC)
- iii. Board Investment and Financing Committee (BIC)

9.1. Board Executive Committee (BEC):

The Committee assists the Board in fulfilling its oversight responsibilities in accordance with the Articles of Association of the Company. The Committee, which is a steering committee for the full Board, shall have an oversight role over the critical key projects of the Company, provide guidance, support and mentor Management during transitional periods as well as be involved in any crisis situation that may arise within the Company. During the year the committee met 3 times.

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

Name	Nationality	Qualification/Discipline
Dr. Gideon H. Kaunda	Tanzanian	Economist, Lawyer
Eng. Boniface G. Nyamo-Hanga	Tanzanian	Engineer, Economist

9. BOARD COMMITTEES (CONTINUED)

9.2. Board Audit and Risk Committee (BARC)

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

Audit Functions:

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. BOARD COMMITTEES (CONTINUED)

9.2. Board Audit and Risk Committee (BARC) (CONTINUED)

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

During the year, the committee met 5 times, the committee comprises of the following members;

Name	Nationality	Qualification/Discipline
CPA George M.J. Nchwali	Tanzanian	Certified Public Accountant
Ms. Rehema A. Tukai	Tanzanian	Development Practitioner, Economist and Environment Specialist

9.3. Board Investment and Financing Committee (BIFC)

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

- 1) The asset allocation policy shall be sufficiently diversified to enable the appropriate fiduciary to manage risk without imprudently sacrificing returns.
- 2) The Committee with support from the Management, will establish investment performance benchmarks for each asset class, based on pre-approved criteria. The same shall be approved by the Board of Directors.
- 3) The Investment committee has the role of deciding investment priorities and establishes an efficient portfolio and submits the same for approval by the Board of Directors

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. BOARD COMMITTEES (CONTINUED)

9.3. Board Investment and Financing Committee (BIFC) (CONTINUED)

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

Name	Nationality	Qualification/ Discipline	Title
CPA Oswald M. Urassa	Tanzanian	Certified Public Accountant	Director
Ms. Kissa V. Kilindu	Tanzanian	Engineer and ICT Specialist	Director
Dr. Hildebrand E. Shayo	Tanzanian	Economist	Invitee
Ms. Ngenda C. Kigaraba	Tanzanian	Economist	Invitee
Mr. Brighton R. Kinemo	Tanzanian	Economist	Invitee

10. BOARD ACTIVITIES DURING THE YEAR

During the year, there were 7 Board meetings three (3) of which were Extra- Ordinary Board Meetings. There were also.

- Five (5) Board Audit and Risk Committee meetings, (BARC)
- Four (4) Board Investment and Financing Committee meetings (BIFC)
- Three (3) Board Executive Committee meetings.

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

Director's Name	Board	BEC (2)	BARC (5)	BIFC (4)
Dr. Gideon H. Kaunda	7	3	n/a	n/a
CPA George M.J. Nchwali	7	n/a	5	n/a
CPA Oswald M. Urassa	7	n/a	n/a	4
Ms. Kissa V. Kilindu	7	n/a	n/a	4
Ms. Rehema A. Tukai	7	n/a	5	n/a
Eng. Boniface G. Nyamo-Hanga	7	3	n/a	n/a

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11. CORPORATE GOVERNANCE AND MANAGEMENT OF THE SUBSIDIARY

The subsidiary, Nico Land Development Company Ltd is 99% owned by the National Investments Plc. The Board of Directors for Nico Land Development Company Ltd (the "Board") consists of two Directors. Two Directors hold non-executive position in Nico Land Development Company Ltd. The Board takes overall responsibility for Nico Land Development Company Ltd, including responsibility for identifying key risk areas, considering, and monitoring investment decisions, considering significant financial matters, and reviewing plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

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

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

12. CAPITAL STRUCTURE

	2023 TZS "000"	2022 TZS "000"
Authorized:		
1,600,000,000 (2022: 1,600,000,000) ordinary shares of 125 each	<u>200,000,000</u>	<u>200,000,000</u>
Issued and fully paid:		
61,634,834 (2022: 61,634,834) ordinary shares of TZS 125 each	<u>7,704,354</u>	<u>7,704,354</u>
Share premium	1,588,635	1,587,385
Share register adjustment (Notes 13 and 14)	-	1,250
	<u>1,588,635</u>	<u>1,588,635</u>

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13. SHAREHOLDERS OF THE COMPANY

Shareholders of the National Investments PLC are as follows:

Name of Shareholder	2023		2022	
	Number of shares	%	Number of shares	%
The Public Service Social Security Fund	5,666,670	9.2	5,666,670	9.2
Erncon Holdings Limited	1,284,982	2.1	-	-
Ernest Saronga Massawe	1,014,500	1.6	808,000	1.3
Tanzania Posts Authority	800,000	1.3	800,000	1.3
Commex Holding Ltd	800,000	1.3	800,000	1.3
Mark William Nju	716,000	1.2	716,000	1.2
Maheboob Jafferli Ramji	-	-	689,571	1.1
David Lang Ross	-	-	1,604,663	2.6
General Public	51,352,682	83.3	50,549,930	82.0
Total	<u>61,634,834</u>	<u>100</u>	<u>61,634,834</u>	<u>100</u>

14. PERFORMANCE FOR THE YEAR

The performance results for the year are set out on page 29 of these financial statements.

The Group's revenue increased by 40% having a total revenue of TZS 11.1 billion during the year (2022: TZS 8.3 billion). Operating profit increased by 60% from TZS 6.3 billion in 2022 to TZS 10.1 billion during the year.

The total expenses incurred for the year ended 31 December 2023 have decreased by 26% to TZS 1.7 billion (2022: TZS 2.3 billion). The major reason for this decrease is an extra expense incurred in previous year for organizing the two extra-ordinary shareholders meetings. During the year only one annual general meeting was convened.

The Group and Company had a profit after tax of TZS 6.79 billion and TZS 6.83 billion respectively (2022: profit TZS 5.92 billion and 5.99 billion respectively).

15. KEY PERFORMANCE INDICATORS

The Key Performance Indicators of the Group and Company for the year ended 2023 were computed based on the targets set by the Group and Company in comparison with the actual performance results for the year.

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

15. KEY PERFORMANCE INDICATORS (CONTINUED)

Key performance indicators

	Group	Group	Company	Company
	2023	2022	2023	2022
Total Income (TZS'000)	12,389,479	8,560,732	12,389,479	8,560,732
Operating profit (TZS'000)	10,082,711	6,284,358	10,128,352	6,355,603
Operating profit margin (%)	81	73	82	74
Profit for the year (TZS'000)	6,786,278	5,991,329	6,832,369	5,990,575
Net profit margin (%)	55	70	55	70
Net assets (TZS'000)	138,514,888	103,965,477	138,632,224	104,036,724
Return on capital employed (%)	7	5.1	7	5.1

16. STOCK EXCHANGE INFORMATION

In 2018, National Investments PLC was Relisted at the Dar Es Salaam Stock Exchange. The price per share as at year end date was TZS 500 (2022: TZS 350).

Market capitalization at 31 December 2023 was TZS 30.1 billion (2022: TZS 21.6 billion).

Stock price changes are affected by the demand and supply of shares in the stock market. Changes in economic conditions, market dynamics, regulations and accounting standards can have an impact on corporate profits, which may cause stock price changes on at least a temporary basis. However, net asset value of the National Investments Plc is considered to be around TZS 2,249 per share.

17. CURRENT AND FUTURE DEVELOPMENT PLANS

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

18. STAKEHOLDERS RELATIONSHIP

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

18. STAKEHOLDERS RELATIONSHIP (CONTINUED)

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

Stakeholder group	What these stakeholders care about	Our Strategic responses
Shareholders and Investment Community	<ul style="list-style-type: none"> • Share price growth. • Dividends paid. • Effective corporate governance. • Experienced management. • Sustainable growth. • Industry regulation. 	<ul style="list-style-type: none"> • Focusing on delivering operational efficiencies, growth, and international diversification. • Growing contribution of revenue from international markets. • Providing a diversified product and service offerings. Promoting an ethical culture and responsible corporate citizenship across the Group. • Robust risk management and control measures
Regulators and Government agencies	<ul style="list-style-type: none"> • Full compliance with regulatory obligations and laws. • Involvement in industry discussions and thought leadership. • Sustainable operations 	<ul style="list-style-type: none"> • Ensure compliance with all applicable legislation. • Monitor and respond to changes in our regulatory landscapes, staying up to date with changes in laws, regulations, and compliance frameworks. • When called upon we engage with regulatory bodies to provide inputs for new/proposed legislation(s).
Employees	<ul style="list-style-type: none"> • Health and safety in the workplace. • Equitable remuneration. Career advancement and growth opportunities. Opportunities for learning and development. • Fair and equitable performance evaluation and feedback. 	<ul style="list-style-type: none"> • Focusing on employee wellness and development. • Fair and competitive remuneration. • Talent development programs. • Investing in leadership development programs. Implementing strategies to ensure a highly engaged workforce. • Encouraging and supporting a culture of safety within the workplace. • Encouraging and supporting a culture of continuous personal learning. • Focusing on employee wellness and development. Fair and competitive remuneration. • Talent development programs. • Investing in leadership development programs. Implementing strategies to ensure a highly engaged workforce. • Encouraging and supporting a culture of safety within the workplace. • Encouraging and supporting a culture of continuous personal learning.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18. STAKEHOLDERS RELATIONSHIP (CONTINUED)

Stakeholder group	What these stakeholders care about	Our Strategic responses
Suppliers	Timely payments. Beneficial long-term relationships. Sustainable business operations. Supporting of local business. Open communication on matters that concern them.	Use of technology to facilitate timely payments. Prioritizing fair and transparent procurement activities. Ensuring adequate diversification of supplies through selecting suppliers who provide quality, affordable supplies that meet our requirements. Supporting local vendors. Monitoring relationships with our suppliers.
Strategic Partners	Win-win collaboration opportunities. Our performance and leadership in areas of collaboration.	We have put in place a policy on strategic partnerships to ensure the interests of the partners and the Group are aligned and mutually beneficial to both parties.

19. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

Our enterprise risk management framework

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

We invest in shares of listed and unlisted companies, government bonds, and other securities. Because of our responsibility to our shareholders, we prefer to keep those risks that we believe we can manage to generate a return.

Types of risk inherent in our business model

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

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

- Refer Note 4.

2) Risk from our Operations and other business risks:

- **Operational risk:** This is the risk of direct or indirect losses resulting from insufficient or failed internal processes, people, and systems, as well as external events such as legislative or regulatory changes.
- **Strategic risk:** This is a risk that can occur as a result of poor business decisions, poor decision execution, insufficient resource allocation, or a failure to respond effectively to changes in the business environment.

19. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

How National Investments PLC share risk management responsibilities

The First Line of Defence - Executive Management

The Risk-Taking Function

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

They are responsible for:

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

The Second Line of Defence - The Risk Management Function

The Risk Oversight Function

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

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

The Third Line of Defence - The Internal Audit Function

The Risk Assurance Function

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

19. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Overview of our principal risks

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

MARKET RISK		
Risk Description	Source of Risk	Mitigation
The risk that the financial assets held reduce in value below what the current value is. This risk impacts equities, bonds, property, and any foreign currency, denominated exposures, including liabilities.	<ul style="list-style-type: none"> ▪ Equity Price ▪ Property ▪ Interest Rate ▪ Foreign Exchange ▪ Inflation <p>We actively match our assets to liabilities and therefore, uptake market risks that match our liabilities' profile. Additionally, we have a NIL appetite for property risks as this asset class does not match the underlying liabilities' profile.</p>	<ul style="list-style-type: none"> ▪ Risk appetites set to limit exposures to key market risks. ▪ Asset and liability duration matching which limits impact of interest rate changes and ensures optimal liquidity.
COUNTERPARTY RISK		
Risk Description	Source of Risk	Mitigation
The risk that a counterparty defaults on a promise/obligation, and therefore, the group or company loses some of its assets.	<ul style="list-style-type: none"> ▪ Bank deposits ▪ Corporate bonds and commercial paper 	<ul style="list-style-type: none"> ▪ Meeting of risk appetite for bank deposits in terms of maximum limit in a single bank and maximum exposure limits to Tier I, Tier II and Tier III banks. ▪ Risk appetite limits for exposure to corporate bonds and commercial paper in terms of limits to a single entity.

19. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Overview of our principal risks (continued)

LIQUIDITY RISK		
Risk Description	Source of Risk	Mitigation
The risk that the business cannot meet its obligations or liabilities as and when they fall due.	<ul style="list-style-type: none"> ▪ Mismatch of assets and liabilities, usually by duration ▪ Low cash flow generation, e.g., due to reduced inflows and higher withdrawals 	<ul style="list-style-type: none"> ▪ Documented procedures for the finance and investment team that ensure liquidity is monitored daily. ▪ Maintaining committed borrowing facilities from banks
OPERATIONAL RISK		
Risk Description	Source of Risk	Mitigation
Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.	<ul style="list-style-type: none"> ▪ Conduct ▪ Legal & regulatory ▪ People ▪ Process ▪ Data security ▪ Technology ▪ Brand and Reputation <p>Operational risk should generally be reduced to as low a level as is commercially sensible.</p> <p>Operational risk will rarely provide us with an upside.</p>	<ul style="list-style-type: none"> ▪ Application of enhanced business standards covering key processes. ▪ Enhanced scenario-based approach to determine appropriate level of capital to be held in respect of operational risks. ▪ Ongoing investment in simplifying our technology to improve the resilience and reliability of our systems and in IT security to protect our data.

Principal emerging risks

Compliance Risks

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

Cyber Security Risks

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

19. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Principal emerging risks (continued)

Fraud Risks

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

Environmental, social, and governance (ESG) Risks

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

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

20. LIQUIDITY

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

21. TECHNOLOGY AND INNOVATION

National Investments PLC has adopted major changes in operating system so as to cope with the major changes already happening in the industry. The Company procured an operating system called Sage in 2018 and it is expected to fully migrate to Sage in 2024.

22. BUSINESS OBJECTIVES AND STRATEGIES

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

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

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

Key Result Area	Strategic Objective
Investment Growth and Diversification - Investment Portfolio expanded. - Company profitability expanded.	<ul style="list-style-type: none">• Identify suitable investments.• Construct diversified portfolio.• Understand and practice the portfolio management.• Management of administrative and operational costs.
Business Development and Growth - Marketing initiatives strengthened.	<ul style="list-style-type: none">• Improve Company visibility to the market.• Re-gain market confidence.• Use technology to improve shareholders information.• Introduce marketing and public relation department.
ICT Application Introduced - ICT application in operation strengthened.	<ul style="list-style-type: none">• Improve available communication channels.• Invest in technology in order to digitalize the operations.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

22. BUSINESS OBJECTIVES AND STRATEGIES (CONTINUED)

Key Result Area	Strategic Objective
Financial and Human Resource Management Empowered <ul style="list-style-type: none">- Financial management efficiency improved.- Human capital and performance improved.	<ul style="list-style-type: none">• Introduce an effective system to record and monitor Company expenses.• Improve employees' skills which results to realization of the vision and strategic objective of the Company.
Company Governance Enhanced <ul style="list-style-type: none">- Leadership and management system introduced.	<ul style="list-style-type: none">• Improve corporate governance.• Improve the management system to support the successful leadership of the Company.

23. DIVIDENDS

During the year the Directors recommended payment of a final dividend of TZS 43 per share amounting to TZS 2,650,297,862 (2021: final dividend TZS 20 per share amounting TZS 1,232,696,680) out of the company's profits.

24. EMPLOYEES WELFARE

Management and employee's relationship

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

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

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

Departments	Department Head	Designation
Finance and Administration	CPA Ezekiel Lovililo	Chief Finance Officer
Investment	Mr. Deogratias Dario	Investment Manager

National Investments PLC also has 3 officers and 2 office attendants making up a total number of 8 employees during the year 2023. Internal Audit being an important function to NICOL is being outsourced.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

24 EMPLOYEES WELFARE(CONTINUED)

Management and employee's relationship (Continued)

Training facilities

During the year the Group spent TZS 6.8 million (2022: TZS 11 million) for staff training in order to improve employees' technical skills and hence effectiveness.

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

Medical assistance

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

Employees benefit plan

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

The average number of employees during the year was 8 (2022:8)

Year	2023
Number of males	5
Number of females	3

25. ENVIRONMENTAL CONTROL PROGRAMME

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

26. RELATED PARTY TRANSACTIONS

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

27. AUDITORS

National Investments PLC appointed PricewaterhouseCoopers as auditor for the financial year 2023. A resolution for appointment of the National Investments PLC auditor for the year ending 31 December 2024 will be put to the Annual General Meeting for the same to be approved by the shareholders.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

28. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

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

BY ORDER OF THE BOARD



Dr. Gideon H. Kaunda
Chairman

23 April 2024

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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


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

BY ORDER OF THE BOARD



Dr. Gideon H. Kaunda
Chairman

23 April 2024



CPA George M.J. Nchwali
Director

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY


**DECLARATION OF THE CHIEF FINANCE OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No.12 of 2002. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Statement of Directors' Responsibilities on the previous page.

I, Ezekiel Lovililo, being the Chief Finance Officer of National Investments PLC, hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2023 have been prepared in compliance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002

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

Signature: 

Signed by: CPA Ezekiel Lovililo

Position: Chief Finance Officer

NBAA Membership Number: ACPA 4122

Date: 23 April 2024

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

Report on the audit of the Group and Company financial statements

Our opinion

In our opinion, the Group and Company financial statements give a true and fair view of the Group and Company financial position of National Investments Public Limited Company (the Company) and its subsidiary Nico Land Development Company Ltd (together the Group) as at 31 December 2023, and of its Group and Company financial performance and its Group and Company cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002.

What we have audited

National Investments Public Limited Company's Group and Company financial statements as set out on pages 29 to 87 comprise:

- the Group and Company statements of financial position as at 31 December 2023;
- the Group and Company statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Company statements of changes in equity for the year then ended;
- the Group and Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Group and Company financial statements* section of our report.

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

Independence

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

Key audit matters

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

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY**

*Report on the audit of the Group and Company financial statements
(continued)*

Other information

The directors are responsible for the other information. The other information comprises of Corporate information, The report by those charged with governance, Statement of Directors' responsibilities and Declaration of the Chief Finance Officer but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of the directors for the Group and Company financial statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

*Report on the audit of the Group and Company financial statements
(continued)*

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

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

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

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

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

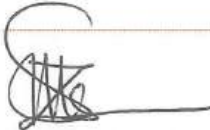
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group and Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY**

Report on other legal and regulatory requirements

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

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



Zainab Salome Msimbe, FCPA-PP

For and on behalf of PricewaterhouseCoopers

Certified Public Accountants

Dar es Salaam

Date: 24 April 2024

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group 2023	Group 2022	Company 2023	Company 2022
		TZS'000	TZS'000	TZS'000	TZS'000
Revenue from contracts with customers	6	11,123,629	8,342,351	11,123,629	8,342,351
Other income	7	1,265,850	218,381	1,265,850	218,381
Administrative expenses	8	(1,473,739)	(2,095,439)	(1,428,698)	(2,024,193)
Other operating expenses	9	(833,029)	(180,935)	(832,429)	(180,935)
Operating profit		10,082,711	6,284,358	10,128,352	6,355,604
Finance costs	10	(2,447,987)	(87,685)	(2,447,987)	(87,685)
Profit before taxation		7,634,724	6,196,673	7,680,365	6,267,919
Tax charge	11	(848,446)	(277,344)	(847,996)	(277,344)
Profit for the year		6,786,278	5,919,329	6,832,369	5,990,575
Attributable to:					
Owners of the Company		6,786,739	5,920,041	-	-
Non-controlling interest		(461)	(712)	-	-
		6,786,278	5,919,329	-	-
Other comprehensive income:					
<i>Items that will not be reclassified</i>					
<i>subsequently to profit or loss:</i>					
Fair value revaluation gain/(loss) on equity instruments designated at FVOCI	24	30,413,429	26,475,901	30,413,429	26,475,901
Loss on sale of equity investments	27	-	(230,264)	-	(230,264)
		30,413,429	26,245,637	30,413,429	26,245,637
Total comprehensive income for the year, net of tax		37,199,707	32,164,966	37,245,798	32,236,212
Attributable to:					
Owners of the Company		37,200,168	32,165,678	-	-
Non-controlling interest		(461)	(712)	-	-
		37,199,707	32,164,966	-	-
Basic and diluted earnings per share	15	110.10	96.04	110.85	97.19

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION

	Notes	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Equity					
Share capital	13	7,704,354	7,704,354	7,704,354	7,704,354
Share premium	14	1,588,635	1,588,635	1,588,635	1,588,635
Retained earnings		39,477,937	36,241,505	39,594,100	36,312,039
Fair value through OCI reserve		89,745,135	58,431,696	89,745,135	58,431,696
Equity attributable to owners		138,516,061	103,966,190	138,632,224	104,036,724
Non-controlling interest		(1,173)	(712)	-	-
Total Equity		138,514,888	103,965,478	138,632,224	104,036,724
Non-current liabilities					
Lease liabilities	16	233,919	-	233,919	-
Borrowings	29	16,161,905	18,514,286	16,161,905	18,514,286
		154,910,712	122,479,764	155,028,048	122,551,010
REPRESENTED BY					
Non-current assets					
Property and equipment	17(b)	387,565	62,024	387,565	62,024
Capital work in progress	17(a)	1,920,542	1,861,864	1,920,542	1,861,864
Right-of-use asset	18	268,608	27,912	268,608	27,912
Long-term receivable	30	-	-	2,191,781	1,534,247
Investment in subsidiary	25	-	-	23,241,234	25
Corporate bonds	28	202,702	-	202,702	-
Equity investments at FVTOCI	24	96,877,777	66,464,348	96,877,777	66,464,348
Government securities at amortised cost	26	34,637,359	34,637,359	34,637,359	34,637,359
		134,294,553	103,053,507	159,727,568	104,587,779
Current assets					
Trade and other receivables	19	17,916,130	743,905	873,464	1,309,658
Investment property	31	-	1,754,294	-	-
Inventories	32	9,549,356	-	-	-
Deposits with financial institutions	34	-	10,021,918	-	10,021,918
Cash and cash equivalents	20	611,376	11,949,680	548,007	11,675,220
		28,076,862	24,469,797	1,421,471	23,006,796

**NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Current liabilities					
Lease liabilities	16	43,136	6,025	43,136	6,025
Borrowings	29	3,452,381	3,085,714	3,452,381	3,085,714
Provisions	33	-	608,240	-	608,240
Trade and other payables	21	1,596,869	161,098	257,607	161,123
Current tax payable	11	485,556	-	485,106	-
Dividends payable	12	1,882,761	1,182,463	1,882,761	1,182,463
		<u>7,460,703</u>	<u>5,043,540</u>	<u>6,120,991</u>	<u>5,043,565</u>
Net current assets/(liabilities)		<u>20,616,159</u>	<u>19,426,257</u>	<u>(4,638,591)</u>	<u>17,963,231</u>
		<u>154,910,712</u>	<u>122,479,764</u>	<u>155,088,977</u>	<u>122,551,010</u>

The financial statements on pages 29 to 87 were approved and authorised for issue by the Board of Directors on 23 April 2024 and were signed on its behalf by:


Dr. Gideon H. Kaunda
Chairman


CPA George M. J. Nchwali
Director

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CHANGES IN EQUITY

Group	Notes	Share capital TZS'000	Share premium TZS'000	F/OCI reserve TZS'000	Retained earnings TZS'000	Non controlling interest TZS'000	Total TZS'000
Year ended 31 December 2023							
At start of year		7,704,354	1,588,635	58,431,696	36,241,506	(712)	103,965,479
Other comprehensive income for the year, net of income tax:							
Profit for the year		-	-	-	6,786,739	(461)	6,786,278
Fair value of disposed equity investments		-	-	900,010	(900,010)	-	-
Gain in fair value of equity instruments designated at fair value through other comprehensive income	24	-	-	30,413,429	-	-	30,413,429
Transactions with owners							
Dividends:							
Final dividend for 2022	12	-	-	-	(2,650,298)	-	(2,650,298)
At end of year		<u>7,704,354</u>	<u>1,588,635</u>	<u>89,745,135</u>	<u>39,477,937</u>	<u>(1,173)</u>	<u>138,514,888</u>
Year ended 31 December 2022							
At start of year		7,705,604	1,587,385	48,624,803	15,115,417	-	73,033,209
Other comprehensive income for the year, net of income tax:							
Profit for the year		-	-	-	5,920,041	(712)	5,919,329
Cumulative fair value of disposed equity investments	27	-	-	(16,438,744)	16,438,744	-	-
Loss in fair value of equity instruments designated at fair value through other comprehensive income	24	-	-	26,475,901	-	-	26,475,901
Loss on disposed equity investments	27	-	-	(230,264)	-	-	(230,264)
Transactions with owners:							
Dividends:							
Interim dividend for 2021	12	-	-	-	(1,232,697)	-	(1,232,697)
Adjustment of share register	14	(1,250)	1,250	-	-	-	-
At end of year		<u>7,704,354</u>	<u>1,588,635</u>	<u>58,431,696</u>	<u>36,241,505</u>	<u>(712)</u>	<u>103,965,478</u>

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Company	Notes	Share capital TZS'000	Share premium TZS'000	FVOCI reserve TZS'000	Retained earnings TZS'000	Total TZS'000
Year ended 31 December 2023						
At start of year		7,704,354	1,588,635	58,431,696	36,312,039	104,036,724
Profit for the year:		-	-	-	6,832,369	6,832,369
Other comprehensive income for the year, net of income tax:						
Fair value of disposed equity investments		-	-	900,010	(900,010)	-
Gain in fair value of equity instruments designated at fair value through other comprehensive income	24	-	-	30,413,429	-	30,413,429
Loss on disposed equity investments		-	-	-	-	-
Transactions with owners						
Dividends:						
Final dividend for 2022	12	-	-	-	(2,650,298)	(2,650,298)
At end of year		<u>7,704,354</u>	<u>1,588,635</u>	<u>89,745,135</u>	<u>39,594,100</u>	<u>138,632,224</u>
Year ended 31 December 2022						
At start of year		7,705,604	1,587,385	48,624,803	15,115,417	73,033,209
Profit for the year:		-	-	-	5,990,575	5,990,575
Adjustment of share register	14	(1,250)	1,250	-	-	-
Other comprehensive income for the year, net of income tax:						
Cumulative fair value of disposed equity investments	27	-	-	(16,438,744)	16,438,744	-
Loss in fair value of equity instruments designated at fair value through other comprehensive income	24	-	-	26,475,901	-	26,475,901
Loss on disposed equity investments	27	-	-	(230,264)	-	(230,264)
Transactions with owners:						
Dividends:						
Interim dividend for 2021	12	-	-	-	(1,232,697)	(1,232,697)
At end of year		<u>7,704,354</u>	<u>1,588,635</u>	<u>58,431,696</u>	<u>36,312,039</u>	<u>104,036,724</u>

**NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF CASH FLOWS

	Notes	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Operating activities					
Cash from operations	22	(6,433,865)	3,300,135	9,223,374	1,271,406
Tax paid	11	(362,890)	(277,344)	(362,890)	(277,344)
Net cash from operating activities		(6,796,755)	3,022,791	8,860,484	994,062
Investing activities					
Purchase of equipment	17(b)	(364,844)	(34,548)	(364,844)	(34,548)
Purchase inventories		(7,795,063)	(1,754,294)	-	-
Capital work in progress	17(a)	(58,678)	(229,864)	(58,678)	(229,864)
Investment in subsidiary	25	-	-	(23,241,211)	(25)
Movement in deposits with banks	34	10,021,918	(10,021,918)	10,021,918	(10,021,918)
Bonds trading income received	7	50,041	-	50,041	-
Net cash from/(used in) investing activities		1,853,374	(12,040,624)	(13,592,774)	(10,286,355)
Financing activities					
Dividends paid	12	(1,950,000)	(1,114,024)	(1,950,000)	(1,114,024)
Borrowings	29	(1,985,714)	21,600,000	(1,985,714)	21,600,000
Payment of loan processing fee	10	(6,018)	(76,464)	(6,018)	(76,464)
Payment of interest on borrowings		(2,424,938)	-	(2,424,938)	-
Interest paid on lease liabilities		-	(11,221)	-	(11,221)
Payment on lease liabilities	16	(28,253)	(67,612)	(28,253)	(67,612)
Net cash used in financing activities		(6,394,923)	20,330,679	(6,394,923)	20,330,679
Increase/(decrease) in cash and cash equivalents		(11,338,304)	11,312,846	(11,127,213)	11,038,386
Movement in cash and cash equivalents					
At start of year		11,949,680	636,834	11,675,220	636,834
Increase/(Decrease) in cash and cash equivalents		(11,338,304)	11,312,846	(11,127,213)	11,038,386
At end of year	20	611,376	11,949,680	548,007	11,675,220

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

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

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

2. Material accounting policy information

a) Basis of preparation

The consolidated and company financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act.

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

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

New and revised standards and interpretations which have been issued.

j) IFRS standards effective in 2023 and beyond

Number	Effective date	Description
IAS 1 – Presentation of Financial Statements	Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments are effective for reporting periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with IAS 8 and earlier application is permitted.	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. No impact to the financial statements.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

a) Basis of preparation (continued)

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

i) IFRS standards effective in 2023 and beyond (continued)

Number	Effective date	Description
IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.	IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. No impact to the financial statements.
IFRS 16 – Leases	Effective January 1, 2019, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.	IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. No impact to the financial statements.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

a) Basis of preparation (continued)

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

i) IFRS standards effective in 2023 and beyond (continued)

Number	Effective date	Executive summary
IFRS S1 – General Requirements for Disclosure of Sustainability – related Financial Information	IFRS S1 was issued in June 2023 and applies to annual reporting periods beginning on or after 1 January 2024	IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 – Climate – related Disclosures	IFRS S2 was issued in June 2023 and applies to annual reporting periods beginning on or after 1 January 2024.	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

ii) New and amended standards issued but not yet effective

Number	Effective date	Description
Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates (Lack of exchangeability)	Annual periods beginning on or after 1 January 2024. Earlier application is permitted. (Published May 2021)	The amendments clarify when a currency is considered exchangeable into another currency and how an entity estimates a spot rate for currencies that lack exchangeability. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

a) Basis of preparation (continued)

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

ii) New and amended standards issued but not yet effective

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

iii) New Standards on the Radar

Soon to be issued IFRS 18 to address presentation of financial statements

To help improve comparability and transparency of companies' performance reporting, the IASB is expected to publish IFRS 18, a new IFRS Accounting Standard, in 2024. Effective in 2027, IFRS 18 will replace IAS 1 Presentation of Financial Statements and set out presentation and disclosure requirements for financial statements. The changes, which mostly impact the income statement, include the requirement to:

- classify items of income and expense into categories (i.e. operating, investing and financing); and
- present subtotals for operating profit or loss and profit or loss before financing and income tax.

IFRS 18 also provides enhanced requirements for aggregation and disaggregation of expenses, introduces new disclosure requirements of management-defined performance measures and includes a limited changes to the statement of cash flows.

Amendments to the classification and measurement of financial Instruments

The IASB is in the process of finalizing narrow-scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments are specifically around when financial liabilities settled via electronic payment systems may be considered extinguished, and how contractual cash flow characteristics of financial assets (including those with environmental, social and governance (ESG)-linked features) are assessed. They also include additions and updates to certain disclosure requirements and are expected to be finalized in 2024.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

b) Consolidation

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

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

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

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

c) Translation of foreign currencies

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

d) Revenue Recognition

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

i) Dividend income

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

ii) Interest income

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

iii) Miscellaneous Income

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

e) Property and equipment

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

e) Property and equipment (continued)

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

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

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

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

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

f) Intangible assets

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

f) Intangible assets (continued)

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

g) Leases

The Group and Company leases its office. Rental contracts are typically made for fixed periods of 2 years but may have extension options. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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

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

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

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group and Company:

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

2. Material accounting policy information (continued)

g) Leases (continued)

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

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

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

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

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

Extension and termination options

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

h) Financial instruments

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

i. Classification of financial assets

Classification of financial assets at amortised cost

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

h) Financial instruments (continued)

(i) Classification of financial assets (continued)

Classification of financial assets at fair value through other comprehensive income

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

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

Classification of financial assets at fair value through profit or loss

The Group measures financial assets at fair value through profit or loss unless as a financial asset is measured at amortised cost or at fair value through other comprehensive income. However, the Company, may make an irrevocable election at initial recognition for particular investments in

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

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

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

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

Recognition and measurement of financial assets

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

h) Financial instruments (continued)

ii. Classification of financial liabilities

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

Classification of financial liabilities at amortised cost

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

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

Classification of financial liabilities at fair value through profit or loss.

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

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

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

Recognition and measurement of financial liabilities

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

h) Financial instruments (continued)

(ii) Classification of financial liabilities (continued)

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

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

iii. Impairment of financial assets

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

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

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

h) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

(i) Significant increase in credit risk

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

(i) Significant increase in credit risk (continued)

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

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

h) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

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

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

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

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

(ii) Definition of default

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

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

- The debt is for a third party that has no existing business relationship.
- The debtor is unlikely to pay its obligations to the Company in full.
- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Material accounting policy information (continued)

h) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

(iv) Write-off policy

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

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

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

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Material accounting policy information (continued)

h) Financial instruments (continued)

(iv) Offsetting financial instruments

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

i) Cash and cash equivalents

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

j) Borrowing costs

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

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

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

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

k) Employee benefits

(i) Retirement benefit obligations

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Material accounting policy information (continued)

k) Employee benefits (continued)

(ii) Other entitlements

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

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

l) Dividends

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

m) Share capital

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

n) Income tax

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

(i) Current income tax

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

(ii) Deferred income tax

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Material accounting policy information (continued)

n) Income tax (continued)

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

o) Provisions

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

p) Earnings per Share

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

q) Comparatives

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

3. Critical accounting estimates and judgements

Significant judgements made in applying the Company's accounting policies

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

(i) Provisions

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

(ii) Investment property

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

(iii) Impairment of financial assets

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

Establishing groups of assets with similar credit risk characteristics:

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to Note 2 for details of the characteristics considered in this judgment. The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Critical accounting estimates and judgements (continued)

(iii) Impairment of financial assets (continued)

Models and assumptions used:

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

Key estimation

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

- Establishing the number and relative weightings of forward-looking scenarios for each type of market and determining the forward-looking information relevant to each scenario: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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

(iv) Leases

Assumptions used on lease term/period.

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

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

The lease commenced in September 2023 after the end of the first lease term. The extension considered the lease term and the future expectation of holding the leased property. This can be revised if a significant event occurs, which affects the extension and is within the control of the lessee. A gain on interest on lease ended was recognized in the profit and loss account in 2023 which was borne from the lease that ended. The lease term has been extended to 5 years from 3 years as per the previous lease term.

4. Management of capital and financial risk

(a) Financial risk

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

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

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

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

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

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

(i) Credit risk

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(a) Financial risk (continued)

(i) Credit risk (continued)

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

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

Maximum exposure to credit risk held as at 31 December:

Financial assets	12-month or lifetime ECL	2023	2022
		TZS'000	TZS'000
	Lifetime	34,637,359	34,637,359
Investments in Government securities	(Above 20 years)		
Deposits with financial institutions	12 -month	-	10,021,918
	Lifetime (36 - month)	3,000,000	2,100,000
Long-term receivable *			
Staff loans and other receivables	12 -month	41,055	34,259
Other receivables (TMCL)	12 -month	-	679,224
Cash and cash equivalent**	12 -month	547,904	11,674,662
		38,226,318	59,147,422

* Nicoland Development Company Limited receivable; amount due from Nicoland Development Company Limited in respect of three years at 12.5% interest term loan with grace period of six (6) months with an added extension period of twelve (12) months. The amount above is a summation of the long-term receivable in note 30 and the portion classified as current in note 19.

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(b) Financial risk (continued)

(i) Credit risk (continued)

Significant increase in credit risk

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(b) Financial risk (continued)

(i) Credit risk (continued)

Significant increase in credit risk (continued)

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

Incorporation of forward-looking information

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

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

Company's receivables aging

Company's aging of trade and other receivables for the year ended 2023 is as below.

Details	Amount	1-30 Days	30-90 Days	91-180 Days	181-365 Days	Above 365 Days
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Staff loans	35,455	7,807	9,450	14,174	4,024	-
Swahili Fashion	4,800	-	-	-	-	4,800
Nico Land	3,000,000	-	-	808,219	-	2,191,781
TMCL	1,378,641	-	-	-	-	1,378,641
Total	4,418,896	7,807	9,450	822,393	4,024	3,575,222

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

Details	Amount	1-30 Days	30-90 Days	90-180 Days	181-365 Days	Above 365 Days
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Staff loans	29,259	4,865	9,731	10,336	4,327	-
Swahili Fashion	5,000	-	-	5,000	-	-
Nico Land	2,100,000	-	-	565,753	-	1,534,247
TMCL	1,378,641	-	-	-	679,224	699,417
Total	3,512,900	4,865	9,731	581,089	683,551	2,233,664

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(b) Financial risk (continued)

(ii) Liquidity risk

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

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

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

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

The table below shows the contractual maturity of financial liabilities:

2023	Total TZS'000	1 - 3 months TZS'000	3 - 12 months TZS'000	1 - 5 years TZS'000
Lease liabilities	280,344	10,002	32,556	237,786
Borrowings	26,502,563	1,302,256	4,277,852	20,922,455
Trade and other payables	223,904	94,067	34,622	95,215
Dividend payable	1,882,761	-	1,882,761	-
	<u>28,889,572</u>	<u>1,406,325</u>	<u>6,227,791</u>	<u>21,255,456</u>

2022	Total TZS'000	1 - 3 months TZS'000	3 - 12 Months TZS'000	1 - 5 years TZS'000
Lease liabilities	7,126	-	7,126	-
Borrowings	30,681,183	1,458,782	4,051,870	25,170,531
Trade and other payables	151,988	151,988	-	-
Dividend payable	1,182,463	-	1,182,463	-
	<u>32,022,760</u>	<u>1,610,770</u>	<u>5,241,459</u>	<u>25,170,531</u>

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(b) Financial risk (continued)

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

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

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

2023	Due within 12 months TZS'000	Due between 1 and 25 years TZS'000	Non- interest bearing TZS'000	Total TZS'000
Assets				
Investments in Government securities	-	34,637,359	-	34,637,359
Equity investments	-	-	96,877,777	96,877,777
Corporate bond	-	202,702	-	202,702
Other receivables	-	3,000,000	41,055	3,041,055
Cash and bank balances*	547,904	-	103	548,007
	547,904	37,840,061	96,918,935	135,306,900
Liabilities				
Lease liabilities	43,136	233,919	-	277,055
Borrowings	3,452,381	16,161,905	-	19,614,286
Trade and other payables	-	-	223,904	223,904
Dividend payable	-	-	1,882,761	1,882,761
	3,495,517	16,395,824	2,106,665	21,998,006
Interest rate gap	(3,495,517)	21,444,237	94,812,270	113,308,894

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(b) Financial risk (continued)

(iii) Market risk (Continued)

Interest rate risk (continued)

2022	Due within 12 months TZS'000	Due between 1 and 25 years TZS'000	Non- interest bearing TZS'000	Total TZS'000
Assets				
Investments in Government securities	-	34,637,359	-	34,637,359
Equity investments	-	-	66,464,348	66,464,348
Deposits from financial institutions	10,021,918	-	-	10,021,918
Other receivables	-	2,100,000	713,483	2,813,483
Cash and cash equivalent	11,674,552	-	668	11,675,220
	<u>21,696,470</u>	<u>36,737,359</u>	<u>67,178,499</u>	<u>125,612,328</u>
Liabilities				
Lease liabilities	6,025	-	-	6,025
Borrowings	3,085,714	18,514,286	-	21,600,000
Trade and other payables	-	-	151,988	151,988
Dividend payable	-	-	1,182,463	1,182,463
	<u>3,091,739</u>	<u>18,514,286</u>	<u>1,334,451</u>	<u>22,940,476</u>
Interest rate gap	<u>18,604,731</u>	<u>18,223,073</u>	<u>65,844,048</u>	<u>102,671,852</u>

At 31 December 2023 if interest rates of functional currency denominated assets and liabilities had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been 11.3 million (2022: 21 million) higher, mainly as a result of fluctuations in interest income and interest expense.

Foreign currency risk

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(b) Financial risk (continued)

(iii) Market risk (Continued)

Foreign currency risk (continued)

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

	2023 TZS'000	2022 TZS'000
Bank balances	25,805	2,370,651
Payables	<u>(6,496)</u>	<u>(7,928)</u>
	<u>19,309</u>	<u>2,362,723</u>

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

Increase/(decrease) in equity and profit or loss	1,931	236,272
---	--------------	----------------

(v) Price risk

The Company has equity investments classified at fair value through other comprehensive income. If the respective prices for the equity investments increase or decrease by 10%, the pre-tax impact would be TZS 9.69 billion in 2023 (2022: TZS 6.65 billion)

(v) Capital management

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

	2023 TZS'000	2022 TZS'000
Leases	277,055	6,025
Borrowings	19,614,286	21,600,000
Total borrowings	<u>19,891,341</u>	<u>21,606,025</u>
Cash and cash equivalents	<u>(548,007)</u>	<u>(11,675,220)</u>
Net borrowings	19,343,334	9,930,805
Equity	<u>139,117,330</u>	<u>104,036,724</u>
Total Capital	<u>158,460,664</u>	<u>113,967,529</u>
Gearing ratio	14%	10%

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Management of capital and Financial risk (continued)

(c) Accounting classification and fair values

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

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

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

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

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(d) Accounting classification and fair values (continued)

2023	Fair value through other comprehensive income TZS'000	Amortized cost TZS'000	Other financial liabilities at amortised cost TZS'000	Total TZS'000	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000
Financial assets measured at fair value							
Equity investments	96,877,777	-	-	96,877,777	96,877,777	-	-
Investments in Government securities	-	34,637,359	-	34,637,359	-	34,637,359	-
Corporate bonds	-	202,702	-	202,702	-	202,702	-
Other receivables	-	41,055	-	41,055	-	-	41,055
Cash and cash equivalents	-	548,007	-	548,007	-	-	548,007
	96,877,777	35,429,123	-	132,306,900	96,877,777	34,840,061	589,062
Lease liabilities							
Borrowings	-	-	277,055	277,055	-	-	277,055
Trade and other payables	-	-	19,614,286	19,614,286	-	-	19,614,286
Dividend payable	-	-	223,904	223,904	-	-	223,904
	-	-	1,882,761	1,882,761	-	-	1,882,761
	-	-	21,998,006	21,998,006	-	-	21,998,006

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(d) Accounting classification and fair values (continued)

2022	Fair value through other comprehensive income TZS'000	Amortized cost TZS'000	Other financial liabilities at amortised cost TZS'000	Total TZS'000	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000
Financial assets measured at fair value							
Equity investments	66,464,348	-	-	66,464,348	66,464,348	-	-
Investments in Government securities	-	34,637,359	-	34,637,359	-	34,637,359	-
Deposits with financial institutions	-	10,021,918	-	10,021,918	-	-	10,021,918
Other receivables	-	34,259	-	34,259	-	-	34,259
Cash and cash equivalents	-	11,675,220	-	11,675,220	-	-	11,675,220
	66,464,348	56,368,756	-	122,833,104	66,464,348	34,637,359	21,731,397
Lease liabilities	-	-	6,025	6,025	-	-	6,025
Borrowings	-	-	21,600,000	21,600,000	-	-	21,600,000
Trade and other payables	-	-	151,988	151,988	-	-	151,988
Dividend payable	-	-	1,182,463	1,182,463	-	-	1,182,463
	-	-	22,940,476	22,940,476	-	-	22,940,476

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Management of capital and Financial risk (continued)

(e) Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Government Securities (Bonds)	Market Comparison technique: The fair value is based on market prices. If this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.	Not applicable

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

(f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as operating board that makes strategic decisions. In the year ended 31 December 2023, the Company and its subsidiary were considered as one segment and all operating decisions were exercised by same management.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Investment in subsidiary

(a) Composition of the Group

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

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

STATEMENT OF PROFIT OR LOSS

	2023 TZS '000	2022 TZS '000
Administrative expenses	(45,641)	(71,247)
Operating profit	(45,641)	(71,247)
Profit before taxation	(45,641)	(71,247)
Tax charge	(450)	-
Profit for the year	(46,091)	(71,247)

STATEMENT OF FINANCIAL POSITION

Equity		
Share capital	23,241,236	25
Retained earnings	(117,338)	(71,247)
Equity attributable to owners of the company	23,123,898	(71,222)

REPRESENTED BY

Non-current assets

Investment property	-	1,754,294
	-	1,754,294

Current assets

Trade and other receivables	17,850,885	25
Inventories	9,549,356	-
Cash and cash equivalents	63,369	274,459
	27,463,610	274,484

Current liabilities

Borrowings	(3,000,000)	(2,100,000)
Sundry creditors	(1,339,262)	-
Current income tax payable	450	-
Net current liabilities	(4,339,712)	(2,100,000)
	23,123,898	(71,222)

STATEMENT OF CASHFLOWS

Net cash from operating activities	(16,557,239)	(71,247)
Net cash used in investing activities	(7,795,062)	(1,754,294)
Net cash from (used in) financing activities	24,141,211	2,100,000
At start of the year	274,459	-
Net cash inflow	63,369	274,459

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

6. Revenue from contracts with customers

	Group &Company 2023 TZS'000	Group &Company 2022 TZS'000
6 (a) Interest income recognised at EIR		
Interest on treasury bonds	4,484,137	2,859,920
Interest on fixed deposit	520,775	144,732
Interest on TMRC Bond	12,902	
Interest on bank balance	66,598	15,308
Total Interest income	<u>5,084,412</u>	<u>3,019,960</u>
6 (b) Dividend income	<u>6,039,217</u>	<u>5,322,391</u>
Total investment income	<u>11,123,629</u>	<u>8,342,351</u>

7. Other income

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Miscellaneous income	657,610	37,794	657,610	37,794
Reversal of provision	608,240	180,587	608,240	180,587
	<u>1,265,850</u>	<u>218,381</u>	<u>1,265,850</u>	<u>218,381</u>

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Administrative expenses

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Staff costs*	786,837	656,720	786,837	656,720
Annual general meeting	110,805	554,808	110,805	554,808
Legal expenses	64,888	203,197	61,950	203,197
Secretarial expenses	32,400	36,774	32,400	36,774
Director's fees	88,641	104,240	88,641	104,240
Director's expenses	78,551	74,618	55,538	74,618
Board expenses	61,617	139,147	61,617	128,342
Dividend processing fees	14,912	49,735	14,912	49,735
Auditor's remuneration	62,171	43,660	48,944	43,660
Other administrative expenses	172,917	232,540	167,054	172,099
	1,473,739	2,095,439	1,428,698	2,024,193

	Group &Company 2023	Group &Company 2022
*Staff cost comprises of;		
Salaries and wages	639,391	485,008
NSSF Contribution	63,939	48,293
Gratuity	51,608	45,250
Recruitment expenses	-	46,673
Other staff costs	31,899	31,496
	786,837	656,720

9. Other operating expenses

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Office rent (Service charge)	26,936	8,759	26,936	8,759
Security expenses	4,800	4,800	4,800	4,800
Electricity and water	-	-	-	-
Licenses and subscriptions	29,036	35,562	28,436	35,562
Repairs and maintenance	4,608	6,152	4,608	6,152
Depreciation of right of use assets	49,125	67,875	49,125	67,875
Depreciation property, plant and equipment	39,300	35,497	39,300	35,497
Provision for impairment	679,224	22,290	679,224	22,290
	833,029	180,935	832,429	180,935

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Finance costs

	Group & Company 2023 TZS'000	Group &Company 2022 TZS'000
Interest expense on lease liability	17,031	11,221
Loan processing fees	6,018	76,464
Interest expense on loan	2,424,938	-
	<u>2,447,987</u>	<u>87,685</u>

11. Income tax

a) Current tax expense

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Current Income tax	546,485	-	546,035	-
Final withholding tax on dividends earned	301,961	277,344	301,961	277,344
	<u>848,446</u>	<u>277,344</u>	<u>847,996</u>	<u>277,344</u>

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

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Profit before income tax	7,634,724	6,196,673	7,680,365	6,267,919
Tax expense calculated at a tax rate of 30%	2,290,417	1,859,002	2,304,110	1,880,376
<i>Tax effect of:</i>				
Disallowable expenses for tax purposes	44,096	-	30,404	-
Exempt income subjected to final tax	(1,795,951)	(1,859,002)	(1,795,952)	(1,880,376)
Final withholding tax on dividends	301,961	277,344	301,961	277,344
Penalties for late filing	7,923	-	7,473	-
	<u>848,446</u>	<u>277,344</u>	<u>847,996</u>	<u>277,344</u>

The charge equals to the current income tax, payable tax during the year by the Company and penalties for late filing of tax corporate returns by the subsidiary. The income on government bonds is exempt for income tax purposes. The tax affairs of the Company are subject to agreement with the Tanzania Revenue Authority (TRA).

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Income tax (continued)

c) Current income tax payable

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Opening balance	-	-	-	-
Tax charge for the year	848,446	277,344	847,996	277,344
Tax payments	(362,890)	(277,344)	(362,890)	(277,344)
	<u>485,556</u>	<u>-</u>	<u>485,106</u>	<u>-</u>

d) Deferred tax

Group	As at 1 Jan 2023 TZS'000	Potential credit /(debit) to P&L TZS'000	As at 31 Dec 2023 TZS'000
Accelerated capital deductions	27,849	(30,107)	(2,258)
Other timing differences	182,472	21,295	203,767
Tax losses	(21,374)	(13,827)	(35,201)
	<u>188,947</u>	<u>(22,639)</u>	<u>166,308</u>
Company	As at 1 Jan 2023 TZS'000	Potential credit /(debit) to P&L TZS'000	As at 31 Dec 2023 TZS'000
Accelerated capital deductions	27,849	(30,107)	(2,258)
Other timing differences	182,472	21,295	203,767
	<u>210,321</u>	<u>(8,812)</u>	<u>201,509</u>

The deferred taxes have not been recognized due to the fact that the Directors do not expect the Company to generate sufficient taxable losses in the foreseeable future against which the deferred tax can be utilized.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

12. Dividend payable

	Group & Company 2023 TZS'000	Group &Company 2022 TZS'000
Balance brought forward	1,182,463	1,063,790
Dividends declared during the year	2,650,298	1,232,697
Paid during the year	(1,950,000)	(1,114,024)
	<u>1,882,761</u>	<u>1,182,463</u>

During the year, the Directors recommended the payment of a final dividend of TZS 43 per share amounting to TZS 2,650,297,862 out of the profits for the year 2022. In 2022 a final dividend of TZS 20 per share amounting to TZS 1,232,696,680 was declared.

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

13. Share capital

	Group &Company 2023 TZS'000	Group & Company 2022 TZS'000
Authorised: 1,600,000,000 (2021: 1,600,000,000) ordinary shares of TZS 125 each	<u>200,000,000</u>	<u>200,000,000</u>
Issued and fully paid: 61,634,834 (2022: 61,634,834) ordinary shares of TZS 125 each	<u>7,704,354</u>	<u>7,705,604</u>

National Investments PLC re-listed its shares at the Dar Es Salaam Stock Exchange in the year 2018, however during re-listing the Company had been undertaking reconciliation of its issued shares. As of 31st December 2023, a total sum of 61,634,834 shares had been confirmed to have been legitimate issued and paid.

14. Share premium

	Group &Company 2023 TZS'000	Group & Company 2022 TZS'000
Balance brought forward	1,588,635	1,587,385
Adjustment	-	1,250
	<u>1,588,635</u>	<u>1,588,635</u>

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Basic and diluted earnings per share

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

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Profit attributable to equity holders	6,786,278	5,919,329	6,832,369	5,990,575
Weighted average number of ordinary shares	61,634,834	61,634,834	61,634,834	61,634,834
Earnings per share	110.10	96.04	110.85	97.19

Diluted earnings per share

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

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Profit attributable to equity holders	6,786,278	5,919,329	6,832,369	5,990,575
Weighted average number of ordinary shares	61,634,834	61,634,834	61,634,834	61,634,834
Earnings per share	110.10	96.04	110.85	97.19

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

16. Lease liabilities

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Non-current	233,919	-
Current	43,136	6,025
	<u>277,055</u>	<u>6,025</u>
The total cash outflow for leases in the year was:		
Payments of principal portion of the lease liability	28,253	78,834
Interest paid on lease liabilities	17,031	11,221
	<u>45,284</u>	<u>90,055</u>
Reconciliation of lease liabilities arising from financing activities		
At start of the year	6,025	73,637
Interest charged to profit or loss (Note 10)	17,031	11,221
Cashflow:		
- Financing activities (interest paid)	(17,031)	(11,221)
- Additions	299,283	-
- Payments under leases	<u>(28,253)</u>	<u>(67,612)</u>
At end of year	<u>277,055</u>	<u>6,025</u>

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

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

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
6-12 months	43,136	6,025
1-5 years	233,919	-
	<u>277,055</u>	<u>6,025</u>

	%	%
Weighted average effective interest rates at the reporting date was:	<u>16</u>	<u>16</u>

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

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

16. Lease liabilities (Continued)

Gross lease liabilities – minimum lease payments

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Not later than 1 year	42,558	7,309
Later than 1 year and not later than 5 years	237,786	-
Total gross leases	<u>280,344</u>	<u>7,309</u>
Future interest expense on leases liabilities	<u>(3,289)</u>	<u>(1,284)</u>
Present value of lease liabilities	<u>277,055</u>	<u>6,025</u>
Present value of lease liabilities		
Not later than 1 year	43,136	6,025
Later than 1 year and not later than 5 years	233,919	-
	<u>277,055</u>	<u>6,025</u>

17. (a) Capital work in progress

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
At start of the year	1,861,864	1,632,000
Additions	<u>58,678</u>	<u>229,864</u>
Net book value	<u>1,920,542</u>	<u>1,861,864</u>

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

Upon acquisition of Mirambo Properties, the Group postponed the prequalification exercise of construction due to funding reasons. Despite postponing the construction, maintenance of the Msasani building was done to ensure the building remains in a good condition.

The Group has initiated acquisition of Mirambo Properties Company Limited by its subsidiary company whereby for the year ended 31 December 2023 the process was still in progress and the full acquisition will be finalized in 2024.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

17. (b) Property and equipment

Group

Year ended 31 December 2023	Motor vehicles TZS'000	Office equipment, furniture & fittings TZS'000	Total TZS'000
Cost			
At start of year	26,670	222,684	249,354
Additions	313,760	51,084	364,844
At end of year	<u>340,430</u>	<u>273,768</u>	<u>614,198</u>
Depreciation			
Charge from the previous year	26,670	160,660	187,330
Charge for the year	13,073	26,230	39,303
At end of year	<u>39,743</u>	<u>186,890</u>	<u>226,633</u>
Net book value	<u>300,687</u>	<u>86,878</u>	<u>387,565</u>
Year ended 31 December 2022			
Cost			
At start of year	26,670	188,136	214,806
Additions	-	34,548	34,548
At end of year	<u>26,670</u>	<u>222,684</u>	<u>249,354</u>
Depreciation			
Charge from the previous year	26,670	125,163	151,833
Charge for the year	-	35,497	35,497
At end year	<u>26,670</u>	<u>160,660</u>	<u>187,330</u>
Net book value	<u>-</u>	<u>62,024</u>	<u>62,024</u>

For the year ended 31 December 2023, significant change in the asset register was the acquisition of the vehicle. The Group acquired a new vehicle for office use at a price of TZS 314 million.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

17. (b) Property and equipment (continued)

Company

Year ended 31 December 2023	Motor vehicles TZS'000	Office equipment, furniture & fittings TZS'000	Total TZS'000
Cost			
At start of year	26,670	222,684	249,354
Additions	313,760	51,084	364,844
At end of year	<u>340,430</u>	<u>273,768</u>	<u>614,198</u>
Depreciation			
Charge from the previous year	26,670	160,660	187,330
Charge for the year	13,073	26,230	39,303
At end of year	<u>26,670</u>	<u>160,660</u>	<u>187,330</u>
Net book value	<u>-</u>	<u>62,024</u>	<u>62,024</u>
Year ended 31 December 2022			
Cost			
At start of year	26,670	188,136	214,806
Additions	-	34,548	34,548
At end of year	<u>26,670</u>	<u>222,684</u>	<u>249,354</u>
Depreciation			
Charge from the previous year	26,670	125,163	151,833
Charge for the year	-	35,497	35,497
At end year	<u>26,670</u>	<u>160,660</u>	<u>187,330</u>
Net book value	<u>-</u>	<u>62,024</u>	<u>62,024</u>

For the year ended 31 December 2023, significant change in the asset register was the acquisition of the Company's vehicle. The Company acquired a new vehicle for office use at a price of TZS 314 million.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

18. Right-of-use assets

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Year ended 31 December 2023		
At 1 January 2023	27,912	95,787
Additions	289,821	-
Amortisation charge	(49,125)	(67,875)
At 31 December 2023	268,608	27,912

19. Trade and other receivables

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Other receivables	41,055	34,259	41,055	34,259
Receivable from Nico land (current portion)	-	-	808,219	565,753
Receivable from TMCL	679,224	679,224	-	679,224
Provision for bad debt	(679,224)	-	-	-
Advance paid to Mirambo Properties Ltd	17,850,885	-	-	-
Net trade and other receivables	17,891,940	713,483	849,274	1,279,236
Prepayments	24,190	30,422	24,190	30,422
	17,916,130	743,905	873,464	1,309,658

Following the take-over of Tanzania Meat Company Limited (TMCL) by the Government on 27 December 2019 and subsequent decision to wind up TMCL, 100% of the TMCL receivable was impaired in 2020. After a thorough follow-up with the Ministry of Livestock and Fisheries, they signed a share transfer agreement and payment commitment for the sum of TZS 679 million, however, no amount has been received and therefore TZS 679 million has been provided for fully in 2023.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

20. Cash and cash equivalents

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Cash in hand	517	668	103	668
Cash at bank	610,859	11,949,012	547,904	11,674,552
At 31 December	<u>611,376</u>	<u>11,949,680</u>	<u>548,007</u>	<u>11,675,220</u>

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

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Tanzanian Shilling	555,461	9,579,029	522,202	9,304,569
United States Dollar	<u>55,915</u>	<u>2,370,651</u>	<u>25,805</u>	<u>2,370,651</u>
	<u>611,376</u>	<u>11,949,680</u>	<u>548,007</u>	<u>11,675,220</u>

21. Trade and other payables

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Other payables	1,373,498	55,785	47,013	55,810
Accruals	190,599	90,241	177,822	90,241
Payables to related parties	<u>32,772</u>	<u>15,072</u>	<u>32,772</u>	<u>15,072</u>
	<u>1,596,869</u>	<u>161,098</u>	<u>257,607</u>	<u>161,123</u>

Other payables under the Group significantly relate to payables for the acquisition of Mirambo Properties Limited and Ngobanya Property by the subsidiary.

Accruals includes auditor's remuneration and gratuity arrears.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

22. Cash from Operations

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Profit before tax	7,634,274	6,196,673	7,680,365	6,267,919
Adjustments for:				
Depreciation property and equipment (Note 17)	39,303	35,497	39,303	35,497
Depreciation on right of use (Note 18)	49,125	67,875	49,125	67,875
Interest on lease liability (Note 16)	17,031	11,221	17,031	11,221
Loan processing fee (Note 10)	6,018	76,464	6,018	76,464
Investment in corporate bond	(202,700)	-	(202,700)	-
Purchase of treasury bonds	-	(19,237,163)	-	(19,237,163)
Proceeds from disposal of equity investments	-	16,904,667	-	16,904,667
Liquidation of fixed deposit	600,000	-	600,000	-
Release of overprovision	(1,265,850)	(180,587)	(1,265,850)	(180,587)
Interest expense on borrowings	2,424,938	-	2,424,938	-
Changes in working capital:				
- trade and other receivables	(17,172,225)	(484,470)	436,192	(1,050,223)
- trade and other payables	1,436,221	(90,042)	96,486	(90,017)
- long-term receivable	-	-	(657,534)	(1,534,247)
Cash from operations	<u>(6,433,865)</u>	<u>3,300,135</u>	<u>9,223,374</u>	<u>1,271,406</u>

23. Related party transactions

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

Compensation to key management personnel

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

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

a) Director's remuneration

Remuneration paid to directors during the year was as follows:

	Group 2023 TZS'000	Company 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Director's fees	88,641	104,240	88,641	104,240
Director's expenses	61,617	74,618	61,617	74,618
Board expenses	78,551	139,147	55,538	128,342
	<u>228,809</u>	<u>318,005</u>	<u>205,796</u>	<u>307,200</u>

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

23. Related party transactions (continued)

(b) Key management personnel

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Salaries and allowances	480,492	396,925
Gratuity	51,608	45,250
	<u>532,100</u>	<u>442,175</u>

(c) Receivables from related party

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Nicoland Development Company Limited – subsidiary	-	-	3,000,000	2,100,000
Tanzania Meat Company Limited – associate	-	679,224	-	679,224
Staff loan – key management personnel	31,632	16,334	31,632	16,334
	<u>31,632</u>	<u>695,558</u>	<u>3,031,632</u>	<u>2,795,558</u>

(d) Payables from related party

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Legal fees	32,771	15,072	32,771	15,072
Gratuity	95,215	43,607	95,215	43,607
	<u>127,986</u>	<u>58,679</u>	<u>127,986</u>	<u>58,679</u>

(e) Payments made to Company Secretary and Company Lawyer

	Group 2023 TZS'000	Group 2022 TZS'000	Company 2023 TZS'000	Company 2022 TZS'000
Legal fees	64,450	203,197	61,950	203,197
Secretarial fees	32,400	36,774	32,400	36,774
	<u>96,850</u>	<u>239,971</u>	<u>94,350</u>	<u>239,971</u>

* Company Lawyer's firm is controlled by the Company Secretary.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

24. Equity investment at FVOCI

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
At start of the year	66,464,348	57,123,378
Cost of NMB shares sold (2022: 6,054,390)	-	(696,187)
Cumulative carrying fair value gain on the disposed shares	-	(16,438,744)
Current year FV revaluation gain/(loss)	<u>30,413,429</u>	<u>26,475,901</u>
At 31 December	<u>96,877,777</u>	<u>66,464,348</u>

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

	%interest held		Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
	2023	2022		
National Microfinance Bank	4.1	4.1	91,778,085	61,593,293
Tanzania Breweries Limited	0.04	0.04	1,396,617	1,396,617
Tanga Cement PLC	0.06	0.06	85,457	44,341
CRDB Bank	0.01	0.01	131,992	113,341
Swissport Plc	0.01	0.01	4,435	4,435
Tanzania Cigarette Company	0.01	0.01	130,560	130,560
Tanzania Portland Cement PLC	0.03	0.03	266,135	225,848
Dar-es-Salaam Stock Exchange	6.35	6.35	2,314,496	2,185,913
Vodacom	0.04	0.04	<u>770,000</u>	<u>770,000</u>
			<u>96,877,777</u>	<u>66,464,348</u>

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

24. Equity investment at FVOCI (continued)

The table below discloses the number of shares and value per share.

	No. of shares 2023 TZS'000	Value per share 2023 TZS'000	No. of shares 2022 TZS'000	Value per share 2022 TZS'000
NMB Bank Plc	20,395,130	4,500	20,395,130	3,020
Tanzania Breweries Plc	128,130	10,900	128,130	10,900
Tanga Cement Plc	40,310	2,120	40,310	1,100
CRDB Bank Plc	286,940	460	286,940	395
Swissport Plc	3,360	1,320	3,360	1,320
Tanzania Cigarette Plc	7,680	17,000	7,680	17,000
Tanzania Portland Cement Plc	61,040	4,360	61,040	3,700
Dar es Salaam Stock Exchange Plc	1,285,831	1,800	1,285,831	1,700
Vodacom Tanzania Plc	1,000,000	770	1,000,000	770

25. Investment in subsidiary

	Company 2023 TZS'000	Company 2022 TZS'000
Nico Land Development Company Limited	<u>23,241,234</u>	<u>25</u>

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

26. Government securities held at amortized cost

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Treasury bonds		
Maturing 30 July 2040	1,106,899	1,106,899
Maturing 21 May 2040	1,415,929	1,415,929
Maturing 11 February 2041	3,636,261	3,636,261
Maturing 20 May 2041	2,073,796	2,073,796
Maturing 8 July 2041	3,827,794	3,827,794
Maturing 23 June 2042	2,307,625	2,307,625
Maturing 28 July 2042	996,324	996,324
Maturing 29 September 2042	7,195,732	7,195,732
Maturing 24 November 2042	2,000,785	2,000,785
Maturing 22 April 2046	1,751,587	1,751,587
Maturing 5 August 2046	1,605,166	1,605,166
Maturing 8 July 2047	1,596,861	1,596,861
Maturing 20 October 2047	5,122,600	5,122,600
	<u>34,637,359</u>	<u>34,637,359</u>

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

27. Loss on disposal of equity investments

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Original cost of NMB shares sold	-	(696,187)
Cumulative carrying fair value gain on shares disposed	-	(16,438,744)
Proceeds from disposal of equity investments	-	16,904,667
Loss on disposal	<u>-</u>	<u>(230,264)</u>

During the year ended 31 December 2023 the Company did not dispose any shares ((2022: 6,054,390 NMB shares) and invested on treasury bonds).

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

28. Corporate Bonds

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
TMRC Bond	200,000	-
Accrued interest	<u>2,702</u>	<u>-</u>
Total	<u>202,702</u>	<u>-</u>

During the year ended 31 December 2023 the Company acquired a Corporate Bond from Tanzania Mortgage and Refinance Company (TMRC) worthy TZS 200 million. The Corporate Bond attracts an interest income 10.20% with a tenure of 5 years. This was part of a strategic move towards diversification of investments during the year.

29. Borrowings

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Current	3,452,381	3,085,714
Non-current	<u>16,161,905</u>	<u>18,514,286</u>
Total borrowings	<u>19,614,286</u>	<u>21,600,000</u>

During the year 2022 National Investments Plc obtained a long-term loan facility issued by the Diamond Trust Bank Ltd (DTB) of TZS 21.6 billion for a tenure of seven (7) years at the interest rate of 11.5% per annum. A loan of TZS 1.1 billion was also obtained during the year 2023 at an interest rate of 11.5% per annum for three (3) years from Diamond Trust Bank Ltd (DTB). Loans are secured against Treasury Bonds. The objective of the loan for company is to provide additional funding to the subsidiary to allow for the subsidiary to make investments.

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Balance at start	21,600,000	-
Additions	1,100,000	21,600,000
Accrued interest	2,424,938	-
Payments	<u>(5,510,652)</u>	<u>-</u>
Total borrowings	<u>19,614,286</u>	<u>21,600,000</u>

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

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

30. Long-term receivable

	Company 2023 TZS'000	Company 2022 TZS'000
Nicoland Development Company Limited (2-3 years)	<u>2,191,781</u>	<u>1,534,247</u>
Total	<u>2,191,781</u>	<u>1,534,247</u>

Based on improving shareholders value and portfolio diversification, the Board approved long term loan facility of TZS 3 billion on 27th August 2022 in financing investment opportunities to purchase land and resale. The tenure of the loan is 36 months at the interest rate of 12.5% per annum. Nicoland Development Company Limited is a subsidiary of National Investments PLC with 99% share ownership, the Company was established to conduct businesses of real estate by investing in commercial properties, students' hostels, buy, develop and sale subdivided surveyed plots, establishment of shopping malls through joint ventures. Nico Land Development Company Limited was established in line with National Investments PLC's portfolio diversification strategies of increasing shareholders value. For the year ended 31 December 2023 a total of TZS 3 billion was disbursed to Nico Land Development Company Limited. Out of the disbursed amount, TZS 2.192 billion forms part of a non-current receivable and TZS 808 million forms part of a current receivable. The loan of 2.1 billion and 900 million was disbursed in September 2022 and November 2023 respectively. Nico Land Development Company Limited was given a grace period. The loan will start to accrue interest effectively in March 2024.

31. Investment property

	Group 2023 TZS'000	Group 2022 TZS'000
Investment property	<u>-</u>	<u>1,754,294</u>
Total	<u>-</u>	<u>1,754,294</u>

In 2022, the subsidiary procured plots located at Amani Gomvu and as of 31 December 2022 the company held these plots for capital appreciation, hence, these were recorded as investment properties as at that date. In 2023, the subsidiary decided to actively look for customers to procure this plot and bought additional plots amounting to TZS 7.8 billion. All plots as of 31 December 2023 are held for sale in the ordinary course of business by the subsidiary, therefore, qualifying to be classified as Inventories under IAS 2 as per Note 32 below.

NATIONAL INVESTMENTS PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

32. Inventories

	Group 2023 TZS'000	Group 2022 TZS'000
Inventories – land purchased for resale	<u>9,549,356</u>	<u>-</u>
Total	<u>9,549,356</u>	<u>-</u>

33. Provisions

	Group 2023 TZS'000	Group 2022 TZS'000
At start of the year	608,240	788,827
Provision writeback (Note 7)	<u>(608,240)</u>	<u>(180,587)</u>
	<u>-</u>	<u>608,240</u>

The Company won a court case which led to writeback of the provision made in previous years.

34. Deposits with financial institutions

	Group & Company 2023 TZS'000	Group & Company 2022 TZS'000
Deposits with financial institutions	<u>-</u>	<u>10,021,918</u>
	<u>-</u>	<u>10,021,918</u>

No deposits with financial institutions were available during the year ended 31 December 2023. The prior year balance relates to a six-month fixed deposit of TZS 10 billion with DTB Bank at a contractual interest of 8%. The deposit was placed on 22 December 2022 and matured on 22 June 2023.

35. Contingent liabilities

The Company is defending several legal suits of which liability is not admitted. Whilst considered to have a strong position, the Company may incur claims if defence against the actions is unsuccessful and therefore management has assessed the same in line with the International Accounting Standards 37, and recorded provision were deemed appropriate. The Directors do not expect the outcome of the actions to have a material effect on the Company's financial statements. Further, there are no pending tax matters for the period ended 31 December 2023.

36. Events after the reporting date

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