

NATIONAL INVESTMENTS PLC



QUARTER 1 – MANAGEMENT
REPORT FOR THE PERIOD ENDED
31 MARCH 2024

NATIONAL INVESTMENTS PLC

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME AS AT 31 MARCH 2024

		Company	Company	Company		
		31-Mar-24	31-Mar-23	31-Dec-23	Change	Change
	Notes	TZS "000"	TZS "000"	TZS "000"	TZS "000"	%
Dividend Income	1	1,536	-	6,039,217	1,536	0%
Interest Income	2	1,113,088	1,362,476	5,084,412	(249,388)	-18%
Rental Income		82,312	-	-	82,312	0%
Total Income		1,196,936	1,362,476	11,123,629	(165,540)	-12%
Other Income		-	608,240	586,626	(608,240)	-100%
Total Income		1,196,936	1,970,716	11,710,255	(773,780)	-39%
Employees Benefit expenses	3	(245,115)	(186,033)	(786,837)	(59,081)	32%
Administration Expenses	4	(228,035)	(66,251)	(436,064)	(161,784)	244%
Other Administration expenses	5	(56,381)	(28,995)	(153,205)	(27,386)	94%
Board Expenses	7	(34,232)	(37,335)	(205,796)	3,104	-8%
Total Operating Income		633,173	1,652,102	10,128,353	(1,018,928)	-62%
Finance Expenses	6	(542,121)	(688,376)	(2,447,988)	146,254	-21%
Profit before Income tax		91,052	963,726	7,680,365	(872,674)	-91%
Taxation	9	-	(5,954)	(362,890)	5,954	-100%
Profit after taxation		91,052	957,772	7,317,475	(866,720)	-90%
Other Comprehensive Income/Loss						
Items not classified to the profit or loss						
Net change in fair value (loss)/gain on available for sale financial assets during the year	10	5,788,425	9,867,352	30,413,429		
Total comprehensive income/Loss		5,890,477	10,825,124	37,730,904		
Basic earnings per share (TZS)		1.48	21.80	118.72		

Highlights on Performance

Revenue

There is a decrease of 18% in revenue compared to Q1 2023, major reason for this decrease is income from fixed deposits. Prior year we had a fixed deposit of 10 billion with DTB which reaped an interest income of 218 million which is not available this year.

Also, there was a provision writeback in relation to a court case totaling TZS 608 million in quarter 1 of 2023, this is not the case for 2024 hence a decrease of 43% in total income compared to prior year.

Expenses

Overall increase in expenses by 73% has been contributed by the below factors;

- Payment of employees' bonuses in 2024. The bonuses were not paid for the year 2023.
- Increase in dividend processing fees payable to CSDR due to increased dividend amount declared in 2023.
- Legal Costs is mainly associated to the shareholders who were not recorded in the DSE register and later agreed to be refunded amount initially deposited by them since year 2005 during the IPO as per the settlement deed.
- Other Administration expenses higher due to depreciation of the Motor vehicle not in Q1 year 2023

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STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 MARCH 2024

	Company	Company
	2024	2023
	TZS '000	TZS '000
Equity		
Share capital	7,704,354	7,704,354
Share premium	1,588,635	1,588,635
Retained earnings	40,170,259	40,079,207
FVOCI Reserve	95,533,560	89,745,135
Total Equity	144,996,808	139,117,331
Non current liabilities		
Lease liabilities	243,454	233,919
Borrowings	15,390,476	16,161,905
	15,633,930	16,395,823
	160,630,738	155,513,155
REPRESENTED BY		
Non-current assets		
Property and equipment	361,750	387,565
Capital work in progress	1,959,211	1,920,542
Right-of-use asset	252,489	268,608
Long-term receivable	2,121,467	2,191,781
Investment in Subsidiary	23,241,234	23,241,234
Corporate Bond	207,644	202,702
Equity investments	102,666,202	96,877,777
Government securities	34,892,877	34,637,359
	165,702,874	159,727,568
Current assets		
Trade and other receivables	634,831	873,466
Cash and cash equivalents	124,473	548,007
	759,304	1,421,473
Current liabilities		
Lease liabilities	44,895	43,136
Borrowings	3,452,381	3,452,381
Provisions	-	-
Trade and other payables	251,403	257,608
Dividend payable	2,082,761	1,882,761
	5,831,440	5,635,886
Net current liabilities	(5,072,136)	(4,214,413)
	160,630,738	155,513,155

Highlights on Company's Position

Assets have increased by 4% compared to December 2023, this increase is a result of increased equity investments significantly contributed by increase in NMB share price to TZS 4,780.

Total borrowings have decreased due to the continuation of quarterly payments. Outstanding borrowings until 31 March 2024 stand at TZS 18.8 billion from TZS 19.6 billion in 31 December 2023.

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NOTES TO THE MANAGEMENT REPORTS

1. Dividend Income

	31-Mar-24	31-Mar-23	Budget
	TZS "000"	TZS "000"	31-Mar-24
			TZS "000"
Dividend Income From TCC	1,536	-	5,107
	1,536	-	5,107

2. Interest Income

	31-Mar-24	31-Mar-23	Budget
	TZS "000"	TZS "000"	31-Mar-24
			TZS "000"
Interest Income- 20Yrs G-Bonds	778,521	778,521	1,154,035
Interest Income 25Yrs G-Bond	327,156	327,156	119,625
Interest - Fixed Deposit	-	218,740	-
Interest - TMRC Bond	4,942	-	-
Interest on Bank Balance	2,469	38,059	-
	1,113,088	1,362,476	1,273,660

3. Employees Costs

	31-Mar-24	31-Mar-23	Budget
	TZS "000"	TZS "000"	31-Mar-24
			TZS "000"
Training	1,105	7,723	5,775
Medical Expenses	528	11	-
Medical Assurance	5,839	5,312	11,301
Salaries and Wages	199,714	138,996	200,014
NSSF(Employer's Contributions)	14,762	14,732	14,762
Gratuity	13,804	10,197	13,804
Workers Compensation Fund	738	737	738
Allowances	8,625	8,325	8,325
	245,115	186,033	254,719

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4. Administration Expenses

	31-Mar-24	31-Mar-23	Budget
	TZS "000"	TZS "000"	31-Mar-24
			TZS "000"
Printing and Stationery	5,143	4,885	1,890
Telephone and Postage	102	150	700
Advertisement	-	4,498	19,800
Legal and Consultancy Fees	100,000	-	119,000
Transport and Travelling	2,279	2,406	4,749
Bank Charges	405	1,051	-
Website Design & Internet	2,975	2,862	-
Office Supplies and Expenses	6,374	6,251	4,533
Consultancy Fees	7,437	12,237	21,080
Meetings and Conferences	648	-	1,300
Audit Fees - Current	11,000	10,915	44,000
Secretarial Services Expenses	8,100	8,100	-
Land Rent	1,705	-	-
Dividend Processing Fees	60,360	-	-
Exchange Gain/loss Realized	5,388	(3,985)	-
Depreciation on right of use	16,119	16,879	16,119
	228,035	66,251	233,171

5. Other Administration Expenses

	31-Mar-24	31-Mar-23	Budget
	TZS "000"	TZS "000"	31-Mar-24
			TZS "000"
Office Rent	7,063	6,569	78,781
Repairs and Maintenance	430	3,102	1,200
Depreciation Furniture and Fittings	2,081	2,081	2,081
Depreciation Air Conditioners	-	44	-
Depreciation Computers	3,576	2,974	3,576
Depreciation Office equipment	4,149	1,160	4,149
Depreciation Motor vehicle	19,610	-	19,610
Incidental Expenses	-	1,790	-
Security Charges	1,200	1,200	1,350
Annual Subscription Charges	16,247	10,075	53,867
Interest and Penalties	2,025	-	-
	56,381	28,995	164,614

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6. Finance Costs

	31-Mar-24	31-Mar-23	Budget
	TZS "000"	TZS "000"	31-Mar-24
			TZS "000"
Interest on lease liability	11,294	1,023	11,294
Interest on loan	530,827	687,353	530,827
	<u>542,121</u>	<u>688,376</u>	<u>542,121</u>

7. Board Expenses

	31-Mar-24	31-Mar-23	Budget
	TZS "000"	TZS "000"	31-Mar-24
			TZS "000"
Board Meeting Expenses	-	9,286	14,287
Directors' Fees	22,160	22,160	22,160
Board Induction	-	-	160,515
Board Travelling - Local	4,521	-	2,138
Exec Committee Exp	2,533	2,694	2,755
Investment Committee Exp	5,018	-	4,741
Audit and Risk Committee Exp	-	3,195	3,418
	<u>34,232</u>	<u>37,335</u>	<u>210,014</u>

BY MANAGEMENT

NATIONAL INVESTMENTS PLC

CHIEF FINANCE OFFICER

18TH April 2024