



NATIONAL INVESTMENTS PLC

HALF YEAR GROUP FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2023



Table of Contents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY	5
CONSOLIDATED AND SEPARATE STATEMENT OF CASHFLOWS	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7

NATIONAL INVESTMENTS PLC**GROUP FINANCIAL STATEMENT****CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30TH JUNE 2023**

		30-Jun-23	Group 30-Jun-22	31-Dec-22
	Notes	TZS "000"	TZS "000"	TZS "000"
Investments Income				
Dividend Income	2	6,026,963	5,282,729	5,322,391
Interest Income	3	2,693,827	1,653,356	3,019,960
Total Investment Income		8,720,789	6,936,084	8,342,351
Other Income	4	1,208,240	36,750	218,381
Total Income		9,929,029	6,972,834	8,560,732
Employees Benefit expenses	5	(365,106)	(271,062)	(656,720)
Administration Expenses	6	(373,065)	(546,270)	(1,218,964)
Other Administration expenses	7	(33,436)	(43,840)	(82,792)
Board Expenses	8	(101,688)	(108,401)	(317,898)
Total Operating Income		9,055,734	6,003,262	6,284,358
Finance Expenses	9	(1,286,078)	(7,020)	(87,685)
Profit before Income tax		7,769,655	5,996,242	6,196,673
Taxation	10	(347,159)	(265,195)	(277,344)
Profit after taxation		7,422,496	5,731,047	5,919,329
Other Comprehensive Income				
Items not classified to the profit or loss				
Net change in fair value (loss)/gain during the year	11	9,630,430	-	26,475,901
Gain/loss on Bonds Valuation		(488,482)	-	-
Loss on disposal of equity		-	-	(230,264)
Total comprehensive income		16,564,446	5,731,047	32,164,966
Attributable to:				
Owners of the Company		16,566,133		32,165,678
Non-controlling interest		(1,687)		(712)
		16,564,446		32,164,966
Basic Earnings per Share/ EPS		120.43	92.98	97.19
Diluted Earnings per share		120.43	92.98	97.19

NATIONAL INVESTMENTS PLC
GROUP FINANCIAL STATEMENT

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30TH JUNE 2023

	30-Jun-23	Company 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Investments Income			
Dividend Income	6,026,963	5,282,729	5,322,391
Interest Income	2,693,827	1,653,356	3,019,960
Total Investment Income	8,720,789	6,936,084	8,342,351
Other Income	1,208,240	36,750	218,381
Total Income	9,929,029	6,972,834	8,560,732
Employees Benefit expenses	(365,106)	(271,062)	(656,720)
Administration Expenses	(214,450)	(546,270)	(1,158,417)
Other Administration expenses	(33,436)	(43,840)	(82,792)
Board Expenses	(91,604)	(108,401)	(307,201)
Total Operating Income	9,224,433	6,003,262	6,355,603
Finance Expenses	(1,286,078)	(7,020)	(87,685)
Profit before Income tax	7,938,355	5,996,242	6,267,918
Taxation	(347,159)	(265,195)	(277,344)
Profit after taxation	7,591,196	5,731,047	5,990,574
Other Comprehensive Income			
Items not classified to the profit or loss			
Net change in fair value (loss)/gain during the year	9,630,430	-	26,475,901
Gain/loss on Bonds Valuation	(488,482)	-	-
Loss on disposal of equity	-	-	(230,264)
Total comprehensive income	16,733,145	5,731,047	32,236,211

NATIONAL INVESTMENTS PLC
GROUP FINANCIAL STATEMENT

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 30TH JUNE 2023.

	Notes	Group		Company	
		30 th June 2023 TZS '000	31 st Dec 2022 TZS '000	30 th June 2023 TZS '000	31 st Dec 2022 TZS '000
Equity					
Share capital	12(a)	7,704,354	7,704,354	7,704,354	7,704,354
Share premium	12(b)	1,588,635	1,588,635	1,588,635	1,588,635
Retained earnings		43,665,688	36,241,505	43,903,234	36,312,038
FVOCI Reserve		67,573,645	58,431,696	67,573,645	58,431,695
Total Equity attributable to shareholders of the parent		120,532,322	103,966,190	120,769,868	104,036,724
Non-controlling interest		(2,399)	(712)	-	-
Total Equity		120,529,923	103,965,478	120,769,868	104,036,724
Non-current liabilities					
Lease liabilities		-	-	-	-
Borrowings	13	16,971,429	18,514,286	16,971,429	18,514,286
		16,971,429	18,514,286	16,971,429	18,514,286
		137,501,351	122,479,764	137,741,297	122,551,010
REPRESENTED BY					
Non-current assets					
Property and equipment	14	364,345	62,024	364,345	62,024
Capital work in progress	15	5,418,223	1,861,864	1,888,224	1,861,864
Right-of-use asset		4,413	27,912	4,413	27,912
Long-term receivable		450,000	-	1,768,958	1,534,247
Investment in Subsidiary		-	-	21,523,534	25
Corporate bond	17	202,800		202,800	
Equity investments	16	76,094,778	66,464,348	76,094,778	66,464,348
Government securities	18	36,134,980	34,637,359	36,134,980	34,637,359
		118,669,539	103,053,507	137,982,031	104,587,779
Current assets					
Trade and other receivables	19	1,041,494	743,905	1,822,537	1,309,658
Investment property	20	6,796,080	1,754,294	-	-
Deposits with financial institutions	21	3,509,925	10,021,918	3,509,925	10,021,918
Cash and cash equivalents	22	13,167,850	11,949,680	97,110	11,675,220
		24,515,032	24,469,797	5,429,571	23,006,796
Current liabilities					
Lease liabilities		7,569	6,025	7,569	6,025
Borrowings	13	3,085,714	3,085,714	3,085,714	3,085,714
Provisions	23	-	608,240	-	608,240
Trade and other payables	24	1,407,474	161,098	1,394,559	161,123
Dividend payable		1,182,463	1,182,463	1,182,463	1,182,463
		5,683,220	5,043,540	5,670,305	5,043,565
Net current liabilities		18,831,812	19,426,257	(240,735)	17,963,231
		137,501,351	122,479,764	137,741,297	122,551,010

NATIONAL INVESTMENTS PLC**GROUP FINANCIAL STATEMENT**

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30TH JUNE 2023.

GROUP	Notes	Share Capital	Share Premium	FVOCI Reserve	Retained earnings	Total
At start of year		7,704,354	1,588,635	58,431,695	36,241,506	103,966,189
Profit for the period		-	-	-	7,424,183	7,424,183
Other Comprehensive income for the period						
Adjustment of share register		-	-	-	-	-
Change in fair value of equity instruments designated as at fair value through other comprehensive income	11			9,630,430		9,630,430
Loss on disposal of equity investments		-	-	-	-	-
Gain/loss on bonds valuation		-	-	(488,482)	-	(488,482)
At end of period		7,704,354	1,588,635	67,573,645	43,665,688	120,532,322

COMPANY	Notes	Share Capital	Share Premium	FVOCI Reserve	Retained earnings	Total
At start of year		7,704,354	1,588,635	58,431,695	36,312,039	104,036,722
Profit for the period		-	-	-	7,591,196	7,591,196
Other Comprehensive income for the period						
Adjustment of share register		-	-	-	-	-
Change in fair value of equity instruments designated as at fair value through other comprehensive income	11	-	-	9,630,430		9,630,430
Gain/loss on bonds valuation		-	-	(488,482)	-	(488,482)
At end of period		7,704,354	1,588,635	67,573,645	43,903,234	120,769,868

NATIONAL INVESTMENTS PLC

GROUP FINANCIAL STATEMENT

CONSOLIDATED AND SEPARATE STATEMENT OF CASHFLOWS

FOR THE HALF YEAR ENDED 30TH JUNE 2023.

	Group		Company	
	30-Jun-23 TZS '000	31-Dec-22 TZS '000	30-Jun-23 TZS '000	31-Dec-22 TZS '000
Profit before tax	7,769,655	6,196,673	7,938,355	6,267,919
Adjustments:				
Interest from Govt Bond	(2,230,055)	(2,859,920)	(2,230,055)	(2,859,920)
Interest from FDR	(460,971)	(160,040)	(460,971)	(160,040)
Interest income corporate bond	(2,800)	-	(2,800)	-
Tax paid	(347,159)	(277,344)	(347,159)	(277,344)
Depreciation property and equipment	12,517	35,497	12,517	35,497
Depreciation right of use asset	23,499	67,875	23,499	67,875
Interest on loan	-	76,464	-	76,464
Release overprovision	1,208,240	(180,587)	1,208,240	(180,587)
Interest on lease liability	1,544	11,221	1,544	11,221
Operating Cashflows	3,557,990	2,909,839	3,726,689	2,981,085
Changes in working capital:				
(Increase)/Decrease in Trade receivable	(747,590)	(484,470)	(747,590)	(2,584,470)
Increase/(Decrease) in Trade Payables	20,009,285	(90,042)	1,233,436	(90,017)
NET CASH FLOWS FROM OPERATING ACTIVITIES	22,819,685	2,335,327	4,212,536	306,598
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(302,321)	(1,788,842)	(302,321)	(34,548)
Capital Work in Progress	(21,119,360)	(229,864)	(26,360)	(229,864)
Purchase of corporate bonds	(200,000)	-	(200,000)	-
Purchase of Government Bonds	(1,998,115)	(19,237,163)	(1,998,115)	(19,237,163)
Disposal of equity investments	-	16,904,667	-	16,904,667
Purchase of Investment property	(5,041,786)	-	-	-
Movement in investment assets	682,865	-	682,865	-
Investment in subsidiary	-	-	(20,323,600)	(25)
Movement in deposits with banks	6,511,993	(10,021,918)	6,511,993	(10,021,918)
Interest received on fixed deposit	460,971	160,040	460,971	160,040
Interest received corporate bond	2,800	-	2,800	-
Interest income from government bonds	2,230,055	2,859,920	2,230,055	2,859,920
NET CASH FLOWS FROM INVESTING ACTIVITIES	(18,772,897)	(11,353,160)	(12,961,711)	(9,598,891)
NET CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	(1,114,023)	-	(1,114,023)
Loan repayment	(2,827,391)	-	(2,827,391)	-
Borrowings	-	21,523,536	-	21,523,536
Interest on lease liabilities	(1,544)	-	(1,544)	-
Payment of principle lease	-	(78,833)	-	(78,833)
Net cash used in financing activities	(2,828,936)	20,330,680	(2,828,936)	20,330,680
Increase/(decrease) in cash and cash equivalents	1,217,853	11,312,847	(11,578,111)	11,038,387
Movement in cash and cash equivalents				
At start of the period	11,949,681	636,834	11,675,221	636,834
Increase/(decrease) in cash and cash equivalents	1,217,853	11,312,847	(11,578,111)	11,038,387
At end of the period	13,167,534	11,949,681	97,110	11,675,221

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

National Investments Plc is a Company domiciled in Tanzania. This half year consolidated, and separate financial statements comprise the financial statements of the Company and its subsidiary; Nico Land Development Company Limited (together referred to as “the Group”) and are for the half year ended 30th June 2023.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2002.

(b) Basis of measurement

These Half Year Consolidated financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value; and
- Available-for-sale financial assets are measured at fair value.

(c) Functional and presentation currency

These half year consolidated and separate financial statements are presented in Tanzanian Shilling, which is the Company’s functional and presentation currency. Except as indicated, the financial information presented in Tanzanian Shillings has been rounded to the nearest thousands (TZS’000).

(d) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(e) Foreign currency transaction

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available for-sale assets, which are included in the fair value reserve in equity.

NATIONAL INVESTMENTS PLC
GROUP FINANCIAL STATEMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

i. Non-derivative financial assets

Recognition

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

De-recognition

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are re-recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables, including service concession receivables.

Available for sale reserves

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in equity quoted securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences (if any) on available-for sale equity instruments, are recognised in other comprehensive income and presented within equity in the available for sale reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, fixed deposits and any call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

NATIONAL INVESTMENTS PLC

GROUP FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

	Group	Company
• Buildings	2.50%	2.50%
• Plant and Machinery	20%	20%
• Furniture, Fixture and Equipment	25%-33%	25%
• Motor Vehicle	20%	20%
• Computer	25%	25%
• Leasehold land is not depreciated		

(h) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

NATIONAL INVESTMENTS PLC

GROUP FINANCIAL STATEMENT

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) **Provisions**

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

(j) **Employee benefits**

(i) *Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in income statement when they are due.

(ii) *Termination benefits*

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(k) **Investment income**

Investment income comprises dividend income, interest income, gains on disposal of available for sale financial assets at fair value through profit or loss. Investment income is recognised as it accrues in income statement, using the effective interest method. Dividend income is recognised in income statement on the date the Company's right to receive payment is established, which in this case of quoted securities is the ex-dividend date at the date dividend declaration is made.

(l) **Finance expenses**

Finance expense comprises interest expense on borrowings. All borrowings are recognised in income statement using the effective interest method.

(m) **Share capital**

Ordinary shares are 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. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity net of tax as deduction from the proceeds.

(n) **Earnings per share**

The Group and company 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 ordinary shareholders of the Group and company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive.

(o) **Comparative figures**

Previous year's audited figures have been regrouped whenever considered necessary to make them comparable, the half year figures of the current period comparable with those of the similar previous year period of the half year.

NATIONAL INVESTMENTS PLC**GROUP FINANCIAL STATEMENT****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****2. Dividend Income**

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Dividend Income from NMB Shares	5,838,106	5,116,845	5,116,845
Dividend Income from Twiga Cement	23,806	23,806	23,806
Dividend Income from TBL	-	-	37,158
Dividend Income from Swissport	141	-	200
Dividend Income from TCC	2,842	2,304	4,608
Dividend Income from CRDB Bank	12,912	10,330	10,330
Dividend Income from DSE	149,156	129,445	129,445
	<u>6,026,963</u>	<u>5,282,729</u>	<u>5,322,391</u>

3. Interest Income

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Interest Income - 20Yrs G-Bonds	1,572,108	822,997	2,118,368
Interest Income - 25Yrs G-Bonds	657,947	823,339	728,348
Interest Income - Fixed Deposit	408,390	7,019	157,936
Interest Income -TMRC Bond	2,800	-	-
Interest Income - Bank Balance	52,582	-	15,308
	<u>2,693,827</u>	<u>1,653,356</u>	<u>3,019,960</u>

4. Other Income

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Writeback - Yetu FDR	600,000	-	-
Miscellaneous income	-	36,750	37,794
Writeback - Provision	608,240	-	180,587
	<u>1,208,240</u>	<u>36,750</u>	<u>218,381</u>

5. Employees Benefit

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Training	4,560	5,455	11,188
Medical Expenses	11	3,431	3,575
Medical Assurance	10,623	5,839	14,381
Recruitment expenses	-	48,340	46,673
Salaries and Wages	277,992	158,308	455,291
NSSF (Employer's Contributions)	29,494	16,695	48,293
Gratuity	24,001	21,250	45,250
Workers Compensation Fund	1,475	1,002	2,353
Allowances	16,950	10,742	29,717
	<u>365,106</u>	<u>271,062</u>	<u>656,720</u>

NATIONAL INVESTMENTS PLC**GROUP FINANCIAL STATEMENT****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****6. Administrative Expenses**

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
14th EGM Expenses	-	143,173	143,173
30th EGM Expenses	-	157,374	157,374
Printing and Stationery	4,992	4,571	6,662
Telephone and Postage	210	621	831
Advertisement	13,256	14,145	25,886
Legal and Consultancy Fees	53,100	39,900	203,197
Annual General Meetings	-	-	254,259
Transport and travelling	13,575	44,213	84,290
Bank Charges	2,706	2,804	7,639
Website Design & Internet	10,898	7,907	16,570
Office Supplies and Expenses	9,163	6,621	19,420
Transactional/Brokerage Fees	1,015	2,258	12,849
Annual Subscription Fees	15,749	14,270	35,304
Consultancy Fees	148,142	42,436	44,990
Meetings and Conferences	660	13,643	7,894
DSE Fees	-	-	49,735
Audit Fees - Current	24,074	-	43,660
Secretarial Services Expenses	16,200	17,658	36,774
Land Rent	-	448	579
Exchange Gain/loss Realized	35,827	-	-
Depreciation on right of use	23,499	34,227	67,875
	<u>373,065</u>	<u>546,270</u>	<u>1,218,964</u>

7. Other Administration Expenses

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Office Rent	13,139	38,880	8,759
Repairs and Maintenance	3,590	2,440	6,152
Depreciation Furniture and Fittings	4,161	-	8,767
Depreciation Air Conditioners	88	-	193
Depreciation Computers	5,948	-	21,829
Depreciation Office Equipment	2,320	-	4,709
Trade Licence Fees	-	-	258
Incidental Expenses	1,790	120	5,035
Security Charges	2,400	2,400	4,800
Provision for Impairment - Receivable	-	-	22,290
	<u>33,436</u>	<u>43,840</u>	<u>82,792</u>

NATIONAL INVESTMENTS PLC
GROUP FINANCIAL STATEMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Board Expenses

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Board Meeting Expenses	34,438	38,739	85,315
Directors' Fees	44,321	28,350	77,490
Board Induction	-	-	66,315
Board Travelling - Local	3,400	1,622	11,673
Executive Committee Exp	4,727	6,725	10,753
Director's Retirement Benefit	-	26,750	26,750
Investment Committee Exp	5,679	-	23,957
Audit and Risk Committee Exp	9,123	6,215	15,645
	101,688	108,401	317,898

9. Finance Expenses

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Interest on lease liability	1,544	7,020	11,221
Interest on loan	1,284,534	-	-
Loan processing fee	-	-	76,464
	1,286,078	7,020	87,685

10. Taxation

	30-Jun-23	Group 30-Jun-22	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"
Withholding Tax on Interest Income	45,811	1,059	11,224
Withholding tax - Dividend Received	301,348	264,136	266,120
	347,159	265,195	277,344

11. Change in fair value.

	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
At start of the year	66,464,348	57,123,378
revaluation gain/loss under P&L	9,630,430	26,475,901
Cumulative change in fair value	0	(17,134,931)
Net fair value gain/loss	76,094,778	66,464,348
At Close of the period	76,094,778	66,464,348

NATIONAL INVESTMENTS PLC
GROUP FINANCIAL STATEMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Share Capital and Share Premium.

	Group		Company	
	30-Jun-23	30-Jun-22	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Authorised				
1,600,000,000 Ordinary shares of TZS 125 each	200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid				
61,634,834 Ordinary shares of TZS 125 each	7,704,354	7,704,354	7,704,354	7,704,354
	7,704,354	4,730,153	4,730,153	4,730,153
Share premium				
Share premium	1,588,635	1,588,635	1,588,635	1,588,635
	1,588,635	1,588,635	1,588,635	1,588,635

13. Borrowings

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Current Portion	3,085,714	3,085,714
Non-current Portion	16,971,429	18,514,286
	20,057,143	21,600,000

In view of implementing company's strategic mission in increasing value and returns to the shareholders by way of portfolio diversification through investments in other profitable ventures.

On September 2022, the company through its subsidiary Nico Land Development Company Ltd expressed interest to acquire an investment assets in the Mirambo Street Properties Ltd with considerable stable returns and value. To facilitate investment in the assets, on 15th December 2022 the company procured a loan from Diamond Trust Bank amounting to TZS 21.6billion at the interest rate of 11.5% per annum repayable in seven years.

Accordingly, the investment value is estimated to be USD 9.3 million with an estimated payback period of 11 years yielding a return of about 10% per annum with an increase in its value year on year.

NATIONAL INVESTMENTS PLC
GROUP FINANCIAL STATEMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Property and equipment

Group	Asset in Progress (WIP)	Motor Vehicles	Furniture & Fittings	Total
	TZS '000'	TZS '000'	TZS "000"	TZS "000"
Cost				
At start of year	1,861,864	26,670	222,684	2,111,218
Additions*	3,556,360	313,760	1,078	3,871,198
Disposal	-	-	-	-
At end of period	<u>5,418,224</u>	<u>340,430</u>	<u>223,762</u>	<u>5,982,416</u>
Depreciation				
Charge for previous year	-	26,670	160,660	187,330
Elimination and Disposal	-	-	-	-
Charge for the period	-	-	12,517	12,517
At end of period	<u>-</u>	<u>26,670</u>	<u>173,177</u>	<u>199,847</u>
Net Book value	<u>5,418,224</u>	<u>313,760</u>	<u>50,585</u>	<u>5,782,569</u>

15. Capital Work in Progress

	Group	
	30-Jun-23 TZS "000"	31-Dec-22 TZS "000"
Msasani Building Plot No. 818	1,888,224	1,861,864
Mirambo House Building	3,525,000	
	<u>5,418,224</u>	<u>1,861,864</u>

Work in Progress under the property and equipment relates to the amount part payment made for acquisition of the assets in Mirambo Street Properties Ltd (50 Mirambo Building) under which the subsidiary Nico Land Development Co Ltd is investing. The acquisition of the assets is in progress, upon finalization of the acquisition process, the control ownership of the assets will accordingly be transferred.

16. Equity Investments

	Group	
	30-Jun-23 TZS "000"	31-Dec-23 TZS "000"
Tanzania Portland Cement Co Ltd	244,160	225,848
Swissport Tanzania Plc	5,040	4,435
Tanga Cement Co Plc	72,558	44,341
CRDB Bank Plc	134,862	113,341
Dar Es Salaam Stock Exchange DE	2,365,929	2,185,913
NMB Bank Plc	70,975,052	61,593,293
Tanzania Breweries Ltd	1,396,617	1,396,617
Vodacom Tanzania Ltd	770,000	770,000
Tanzania Cigarette Co Ltd	130,560	130,560
	<u>76,094,778</u>	<u>66,464,348</u>

NATIONAL INVESTMENTS PLC
GROUP FINANCIAL STATEMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Corporate Bonds

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Investment in TMRC Bond*	200,000	
Accrued Interest	2,800	
	<u>202,800</u>	

On May 2023, the company had invested in the listed Corporate Bond issued by the Tanzania Mortgage Refinance Company Limited at the interest rate of 10.2% per annum for the duration of five years.

18. Government Securities

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
20 Years Government Bonds	26,072,318	24,561,145
25 Years Government Bonds	10,062,662	10,076,214
	<u>36,134,980</u>	<u>34,637,359</u>

19. Trade and Other Receivables

	Group	
	31 Jun 2023	31-Dec-22
	TZS "000"	TZS "000"
Staff Loans and Advances	26,377	34,259
Prepayments	16,071	30,422
Other Receivables*	999,046	679,224
	<u>1,041,494</u>	<u>743,905</u>

20. Investment Property

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Land Projects	6,796,080	1,754,294
	<u>6,796,080</u>	<u>1,754,294</u>

In implementing a short-term expansion program and execution of the Group global strategic development goals, at the end of the half year, Nicoland Development Co Ltd a subsidiary of the Group initiated its operation by investing in the business of real estate land, whereby, at the end of 30th June 2023, the company acquired three real estate projects with objective to resell a subdivided plots developed with infrastructures. It is expected that in the short term toward year 2024, these projects will earn additional earnings/income and return by about 30% in two years.

NATIONAL INVESTMENTS PLC**GROUP FINANCIAL STATEMENT****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****21. Deposits with financial institutions**

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Fixed Deposit	3,509,925	10,021,918
	<u>3,509,925</u>	<u>10,021,918</u>

During the half year, Tanzania Shillings 1,500,000,000 and 2,000,000,000 were placed in a short-term Fixed Deposit with Azania Bank for an interest rate of 11.5% per annum for a period of three months and four months respectively, accrued interest income prorated and recognized in the profit and loss account and amortized in the balance sheet.

22. Cash and cash equivalents

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Bank accounts	13,166,838	11,949,012
Cash	1,012	668
	<u>13,167,850</u>	<u>11,949,680</u>

23. Provisions

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Provision- Trade Payables	608,240	608,240
Provision- Write Back	(608,240)	-
	<u>-</u>	<u>608,240</u>

On year 2012, the company had a court case No CMA/DSM/MISC/38/2022 Between National Investments Company Limited Vs. Kathleen Armstrong, for which the court ruled in favor of the applicant and awarded payment of USD 261,383.66, however, the company appealed against the award for execution for which was finally concluded by the court on 2nd March 2023 in favor of the Company and thus execution of the deed was set aside. On the basis of the same court ruling, the provision made for execution was therefore reversed.

24. Trade and Other Payables

	Group	Group
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Other payables	1,277,601	55,785
Accruals	29,494	90,241
Payable to related parties	100,379	15,072
	<u>1,407,474</u>	<u>161,098</u>

NATIONAL INVESTMENTS PLC**GROUP FINANCIAL STATEMENT****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****25. RELATED PARTY TRANSACTIONS**

A number of company transactions are entered into with related parties in the normal course of business. These include loans, advances transactions.

The items of related party transactions, outstanding balances at the half year-ended 30th June 2023, and related expense for the half year are as follows:

a) Loans and advances to related parties- Key Management

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Key management personnel		
At start of year	20,594	65,634
Advanced during the year	37,300	3,500
Repaid during the year	(33,813)	(48,540)
At end of year	24,081	20,594

b) Transaction with BM Attorneys and Company Secretary

	Group		
	30-Jun-23	30-Jun-22	31-Dec-22
	TZS'000	TZS'000	TZS'000
BM Attorneys	171,311	39,900	203,197
Secretarial fees	16,200	17,658	36,774
	187,511	57,558	239,971

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

c) Loans and Investments in the Subsidiary

	Group	
	30-Jun-23	31-Dec-22
	TZS "000"	TZS "000"
Nico Land Development Co Ltd		
At start of year	2,100,000	
Advanced during the year	20,323,600	2,100,000
Repaid during the year		
At end of year	22,423,600	2,100,000

NATIONAL INVESTMENTS PLC

GROUP FINANCIAL STATEMENT

26. APPROVAL OF THE HALF YEAR FINANCIAL STATEMENTS

These half financial statements for the period ended 30th June 2023 were approved by the Board for submission and publication . The half-year financial statements for the period ended 30th June 2023 should be referred to for a better understanding of the financial position of the company.

By Order of the Board

Erasto G Ngamilaga
Chief Executive Officer

CPA. Ezekiel Lovililo
Chief Financial Officer