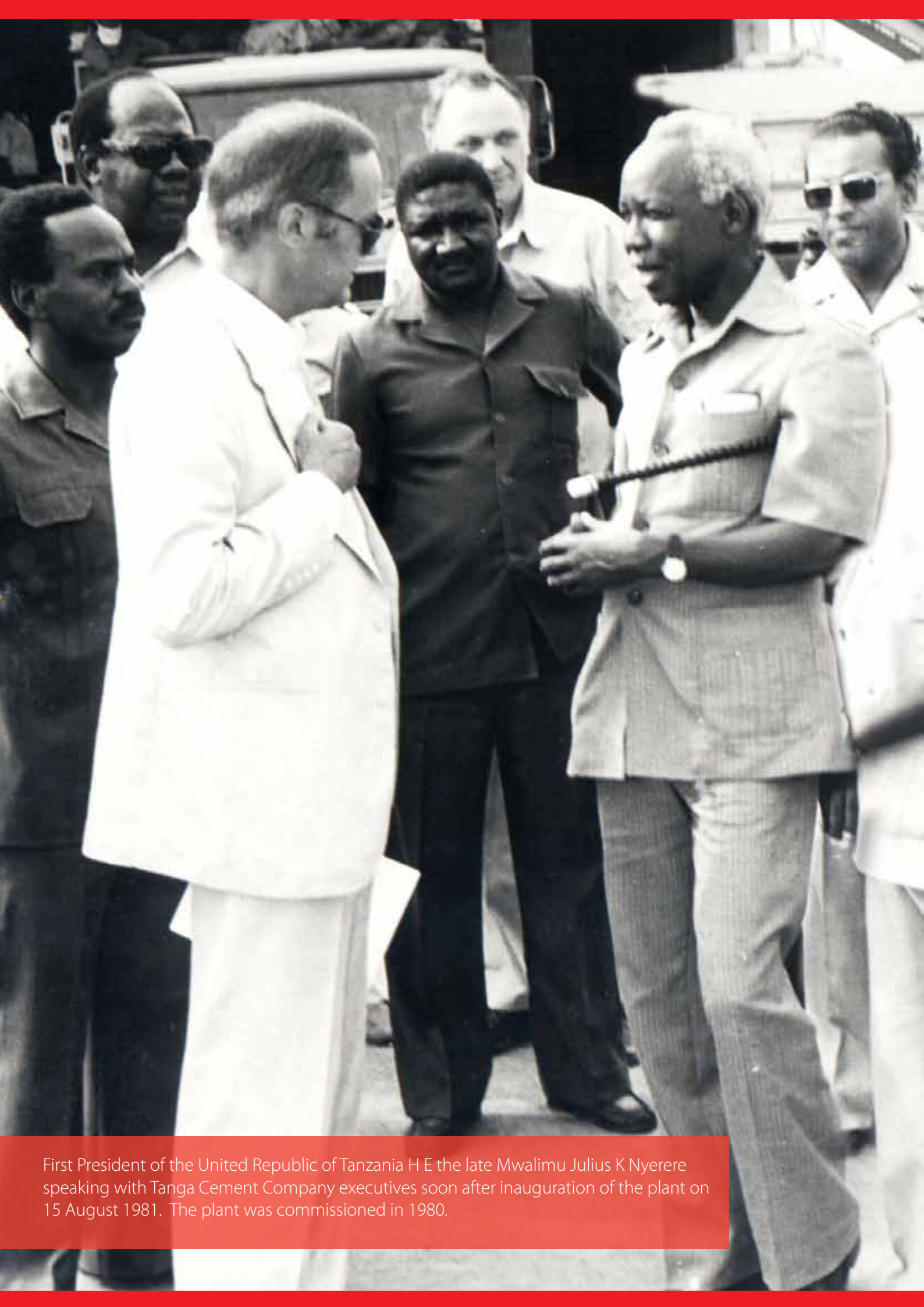




ANNUAL REPORT | 2010 TAARIFA YA MWAKA

Celebrating *30 Years* of Building Tanzania





First President of the United Republic of Tanzania H E the late Mwalimu Julius K Nyerere speaking with Tanga Cement Company executives soon after inauguration of the plant on 15 August 1981. The plant was commissioned in 1980.



1980

Present

Future

30th Anniversary

30 years ago the first bag of Simba Cement rolled out of the factory. This was the day we embarked on our journey towards building Tanzania. We take this opportunity to rededicate ourselves to continuing this journey.

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The demand for cement in Tanzania grew substantially during the year. The expansion of the Company's production facilities, completed in 2010, enabled the Company to increase sales in line with the market and this resulted in a 24% increase in revenue.

Chairpersons Statement Page 12



The year 2010 was characterized by a continued strong growth in cement demand, driven mainly by government spending on various infrastructure projects.

Managing Director's Report Page 14



As per its CSR mission statement and policy, Tanga Cement Company sets aside 1% of profit before tax for Tanzanian community development programmes. In 2010 the Company supported various community development activities in the four major focus areas of Health, Education, Community Development and the Environment.

Corporate Social Investments Page 16



The company met or exceeded all its emission targets during the year, keeping it well within the legal limits.

The ISO 14001 program was audited for the third time and re-certified for the next three years.

Environment Page 18



Yaliyomo

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Mahitaji ya Saruji nchini Tanzania yameongezeka kwa kiasi kikubwa katika mwaka wa taarifa hii. Mitambo ya uzalishaji ya Kampuni, iliyokamilishwa mwaka 2010, iliwezesha kampuni kuongeza mauzo kulingana na mahitaji ya soko na hii imesababisha ongezeko la asilimia 24 ya mapato.

Waraka wa Mwenyekiti U.k 13



Mwaka 2010 ulikuwa na ongezeko kubwa la mahitaji ya saruji, lililosababishwa hasa na matumizi ya serikali kwenye miradi mbalimbali ya miundombinu.

Taarifa ya Mkurugenzi Mtendaji U.k 15



Kwa mujibu wa tamko la dhamira /rujua na sera la CSR, Kampuni ya Tanga Cement inatenga asilimia 1 ya faida kabla ya kodi kwa ajili ya programu za maendeleo ya jamii Tanzania. Mwaka 2010 Kampuni ilisaidia shughuli mbalimbali za maendeleo ya jamii katika maeneo makuu manne ya Afya, Elimu, Maendeleo ya Jamii na Mazingira.

Uwekezaji wa Kijamii wa Kampuni U.k 17



Kampuni ilifikia au ilivuka malengo yake yote ya utoaji vumbi kwa mwaka, ndani ya viwango vilivyowekwa kisheria.

Programu yetu ya ISO 14001 ilipitiwa na wakaguzi kwa mara ya tatu na kuidhinishwa tena kwa kipindi kingine cha miaka mitatu.

Mazingira U.k 18





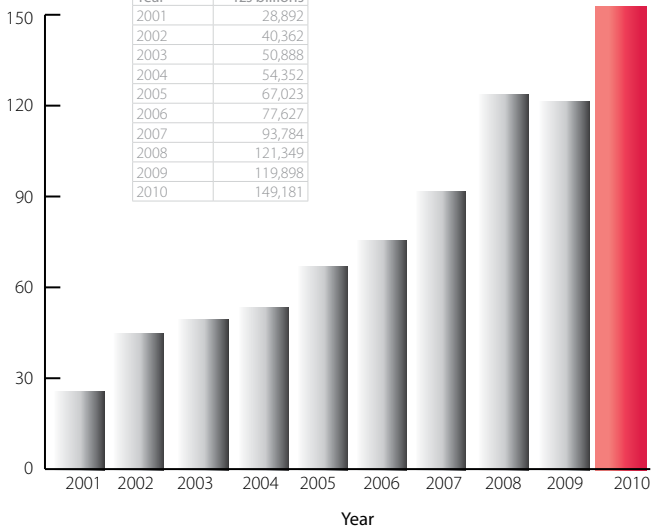
Financial Summary

- Dividend per share: 2009:Tzs 179
2010:Tzs 247

Tzs Billions

REVENUE

Year	Tzs billions
2001	28,892
2002	40,362
2003	50,888
2004	54,352
2005	67,023
2006	77,627
2007	93,784
2008	121,349
2009	119,898
2010	149,181



Tzs per share

EARNINGS PER SHARE

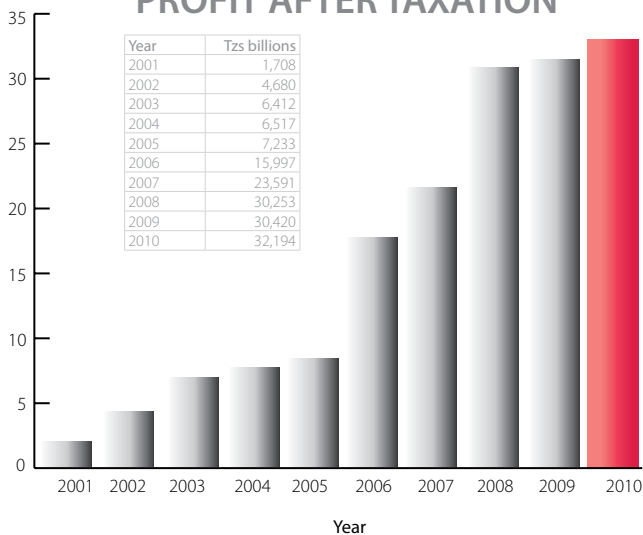
Year	Tzs
2001	26.82
2002	73.50
2003	101.00
2004	102.00
2005	113.60
2006	251.24
2007	370.51
2008	475.15
2009	477.77
2010	506.00



Tzs Billions

PROFIT AFTER TAXATION

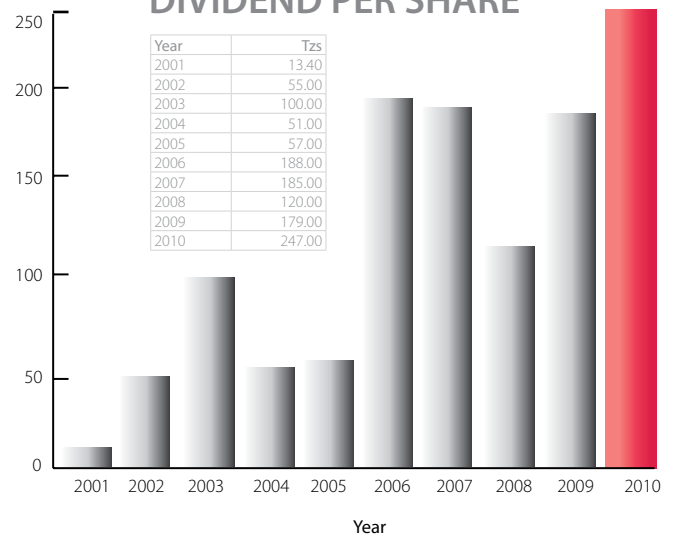
Year	Tzs billions
2001	1,708
2002	4,680
2003	6,412
2004	6,517
2005	7,233
2006	15,997
2007	23,591
2008	30,253
2009	30,420
2010	32,194



Tzs per share

DIVIDEND PER SHARE

Year	Tzs
2001	13.40
2002	55.00
2003	100.00
2004	51.00
2005	57.00
2006	188.00
2007	185.00
2008	120.00
2009	179.00
2010	247.00



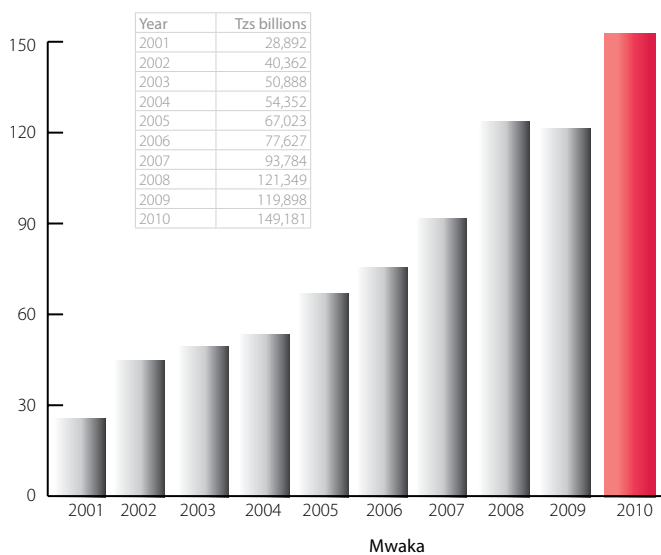


Vidokezo vya Mapato

- Gawio kwa hisa: 2009: Tzs 179
2010: Tzs 247

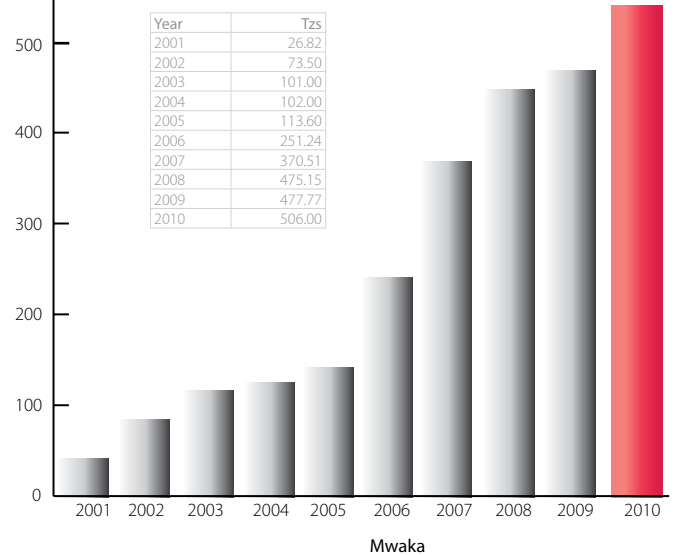
Tzs Billioni

MAPATO



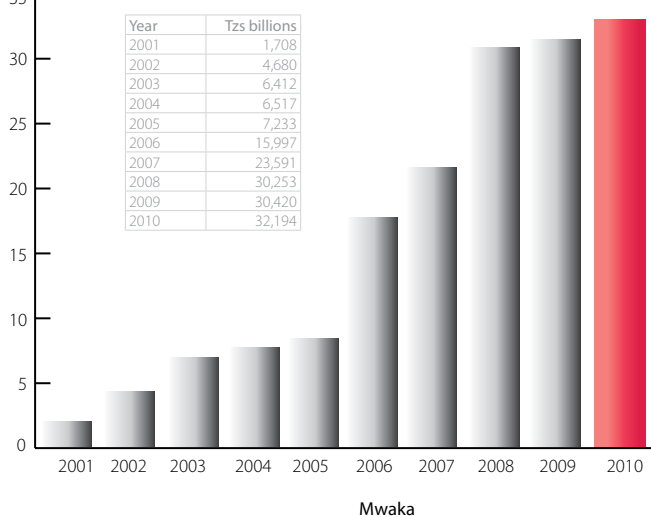
Tzs kwa hisa

MAPATO KWA HISA



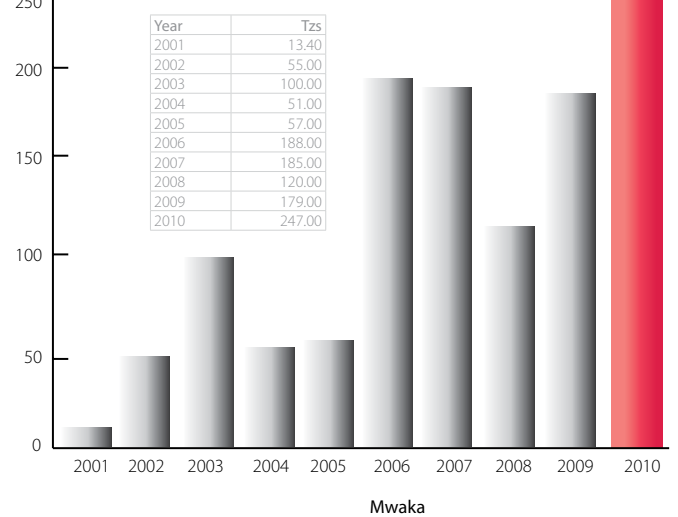
Tzs Billioni

FAIDA BAADA YA KODI



Tzs kwa hisa

GAWIO KWA HISA





The first Tanga Cement Company Limited Annual General Meeting (AGM) held on 16 May 2003.

Meeting

TANGA CEMENT

BUILDING TANZANIA



Board of Directors and Profiles



Charles Naude (53) South African
Chairman (Non-Executive)

B.Sc (Hons), MBL

Charles Naude was the Chief Executive Officer of AfriSam South Africa from August 2008 until March 2010. He has held various positions within the organization, including Commercial Executive, Director for Cement and Director for Stone and Ready-Mix.

Charles Naude (53) Mwafrika Kusini
Mwenyekiti (Si – Mtendaji)

B. Sc (Hons), MBL

Charles Naude alikuwa Ofisa Mtendaji Mkuu wa Afrisam, Afrika Kusini tangu Agosti 2008 hadi Machi 2010. Amekuwa na nyadhifa mbalimbali ndani ya shirika hilo ikiwemo Mtendaji wa Biashara, Mkurugenzi wa Saruji na Mkurugenzi wa Mawe na Uchanganyaji.



Erik Westerberg (58) Swedish
Managing Director (Executive)

Mechanical Engineer

Erik Westerberg joined Tanga Cement Company Limited as the Managing Director on 1 August 2010. Prior to joining the company, Erik worked with Heidelberg Cement Group where he held various managerial positions in Nigeria and Ghana. He also worked for many years with SKF Africa as regional manager for Sub-Sahara Africa.

Erik Westerberg (58) Mswidi
Mkurugenzi Mtendaji (Mtendaji)

Mhandisi Mitambo

Erik Westerberg alijiunga na Kampuni ya Tanga Cement kama Mkurugenzi Mtendaji kuanzia tarehe 1 Agosti 2010. Kabla ya kujiunga na kampuni, Erik alifanya kazi na Heidelberg Cement Group ambako alishika nyadhifa mbalimbali za ngazi ya umeneja nchini Nigeria na Ghana. Pia alifanya kazi kwa miaka mingi katika SKF Afrika kama meneja wa kanda katika Nchi za Afrika Kusini mwa Jangwa la Sahara



Maelezo Mafupi kuhusu Wakurugenzi



Prof. Samuel Wangwe (62) Tanzanian (Non - executive)

Phd (Economics), BA (Economics)

Professor Samuel Wangwe is a highly respected academic. He is the Executive Director of REPOA, a policy think tank on development challenges. Professor Wangwe has published extensively.

Prof. Samwel Wangwe (62) Mtanzania (Si - Mtendaji)

Ph.D (Economics) BA (Economics)

Profesa Samuel Wangwe ni mwanataaluma anayeheshimiwa sana. Yeye ni Mkurugenzi Mtendaji wa ROPEA, ni mtaalamu na Mshauri wa sera kuhusu changamoto za maendeleo. Profesa Wangwe amechapisha kazi nyingi.



Khamis Omar (46) Tanzanian (Non-Executive)

MSc (Development Studies), PGD (Business Administration),
Advanced Diploma (Tax Management)

Khamis Omar is the Principal Secretary, President's Office - Finance, Economy and Development Planning in Zanzibar. Mr. Omar also serves on various boards including the Zanzibar Revenue Board, Bank of Tanzania and the Tanzania Revenue Authority.

Khamis Omar (46) Mtanzania (Si - Mtendaji)

MSc (Mitaala ya Maendeleo), PGD (Utawala wa Biashara)
Advanced Diploma (Usimamizi wa Kodi)

Khamis Omar ni Katibu Mkuu Ofisi ya Rais – Fedha , Uchumi na Mipango ya Maendeleo, Zanzibar. Bwana Omar pia ni mjumbe katika bodi mbalimbali ikiwemo Bodi ya Mapato Zanzibar, Benki Kuu ya Tanzania na Mamlaka ya Mapato Tanzania.



Board of Directors and Profiles



Mofasi Lekota (53) South African
(Non-Executive)

B.Com & MBA

Mofasi Lekota is the Executive Deputy Chairman of the AfriSam Board of Directors. Mr. Lekota is Executive Chairman and CEO of Lekota Investments and previously served as the CEO of National African Federated Chamber of Commerce and as CEO of the Premier Soccer League in South Africa.

Mofasi Lekota (53) Mwafrika Kusini
(Si - Mtendaji)

B.Com & MBA

Mofasi Lekota ni Naibu Mwenyekiti Mtendaji wa Bodi ya Wakurugenzi ya AfriSam. Bwana Lekota ni Mwenyekiti Mtendaji na Ofisa Mtendaji Mkuu wa Lekota Investments na aliwahi kuwa Ofisa Mtendaji Mkuu wa National African Federated Chamber of Commerce na kama Ofisa Mtendaji Mkuu wa Ligi Kuu ya Mpira wa Miguu, Afrika Kusini



Dr. Stephan Olivier (51) South African
(Non-Executive)

Ph.D (Biochemistry)

Dr Stephan Olivier has been the acting CEO of AfriSam South Africa since April 2010 and was recently appointed substantively. He has held various positions in AfriSam, including Director of Marketing and Chief Operating Officer for cement operations.

Dkt. Stephen Oliver (51) Mwafrika Kusini
(Si - Mtendaji)

Ph.D (Biochemistry)

Dk. Stephan Olivier amekuwa aliyekuwa akishikilia wadhifa wa Afisa Mtendaji Mkuu wa AfriSam Afrika Kusini tangu mwezi Aprili 2010, hivi karibuni ameteuliwa rasmi kushikilia cheo hicho. Amewahi kushikilia nyadhifa mbalimbali katika kampuni ya AfriSam, ikiwamo cheo cha Mkurugenzi wa Masoko na Afisa Msimamiz Mkuu.



Maelezo Mafupi kuhusu Wakurugenzi



Mr. Cornelius Kariwa (50) Tanzanian (Non - Executive)

LLB (Hons)

Cornelius Kariwa is a lawyer and has been a practising advocate since 1994. He is also a founding partner and managing counsel of a law firm Kariwa & Co. Advocates. Mr. Kariwa is currently the Chairperson of the Association of Tanzania Employers (ATE).

Bwana Cornelius Kariwa (50) Mtanzania (Si mtendaji)

LLB (Hons)

Cornelius Kariwa ni Mwanasheria na amekuwa Wakili tangu mwaka 1994. Pia ni Mbia Mwanzilishi na Mshauri Mtendaji wa Ofisi ya Sheria ya Kariwa & Co Advocates. Bwana Kariwa kwa sasa ni Mwenyekiti wa Chama cha Waajiri Tanzania (ATE).



Barry Griesel (60) South African Company Secretary

ACIS, CIA, AEP

Barry Griesel is the Commercial Manager and Company Secretary. He has 32 years experience in the cement industry.

Barry Griesel (60) Mwafrika Kusini Katibu wa Kampuni

ACIS, CIA, AEP

Barry Griesel ni Meneja Biashara na Katibu wa Kampuni. Ana uzoefu wa miaka 32 katika sekta ya saruji.



A dividend of 50% of net profit after tax is proposed and consequently the Board has recommended a final dividend of Tzs 167 per share. This amounts to Tzs 10.633 billion.



Chairperson's Statement

The demand for cement in Tanzania grew substantially during the year. The expansion of the Company's production facilities, completed in 2010, enabled the Company to increase sales in line with the market and this resulted in a 24% increase in revenue.

The Company's operating profit only increased by 5%, mainly due to the increased use of expensive imported clinker necessitated by major refurbishment work on the plant in March and April. The results were also adversely affected by the depreciation of the Tanzanian shilling during the year.

On 1st April 2010 the Company increased its shareholding in its major distributor, Cement Distributors (EA) Limited, from 20% to 60%. The results of Cement Distributors (EA) Limited have been consolidated with effect from the date of acquisition.

Dividends

A dividend of 50% of net profit after tax is proposed and consequently the Board has recommended a final dividend of Tzs 167 per share. This amounts to Tzs 10.633 billion.

Prospects

The cement market is expected to grow during the coming year and the Company expects to be able to increase sales volumes accordingly. Imported cement, electricity supply interruptions and rail service delivery problems will continue to be the major challenges in 2011. The Company will actively pursue export opportunities in the region.

Closure of Share Register

The Register of Members will close on 11 April 2011. The last day of trading cum dividend will be 01 April 2011. The dividend will be paid on or about 31 May 2011.

Charles Naude
Chairperson



Gawio la asilimia 50 la faida halisi baada ya kodi linapendekezwa na hivyo Bodi ya Wakurugenzi imependekeza gawio la mwisho la Tzs 167 kwa hisa. Hii ni jumla ya Tzs 10.663 billioni.



Waraka wa Mwenyekiti

Mahitaji ya Saruji nchini Tanzania yameongezeka kwa kiasi kikubwa katika mwaka wa taarifa hii. Mitambo ya uzalishaji ya Kampuni, iliyokamilishwa mwaka 2010, iliwezesha kampuni kuongeza mauzo kulingana na mahitaji ya soko na hii imesababisha ongezeko la asilimia 24 ya mapato.

Faida ya shughuli za biashara za Kampuni imeongezeka kwa asilimia 5 tu hasa kutokana na ongezeko la matumizi ya malighafi ya gharama (clinker) kutoka nchi za nje lililosababishwa na ukarabati mkubwa wa mtambo mwezi Machi na Aprili. Faida pia iliathiriwa sana na kushuka kwa thamani ya shilingi ya Tanzania katika mwaka wa taarifa hii.

Tarehe 1 Aprili 2010, kampuni iliongeza umiliki wa Hisa zake kwenye msambazaji wake mkubwa, Kampuni ya Cement Distributors East Africa Limited (CDEAL), kutoka asilimia 20 hadi asilimia 60. Taarifa ya CDEAL imeunganishwa na ya kampuni kuanzia tarehe ya utwaaji.

Gawio

Gawio la asilimia 50 la faida halisi baada ya kodi linapendekezwa na hivyo Bodi ya Wakurugenzi imependekeza gawio la mwisho la Tzs 167 kwa hisa. Hii ni jumla ya Tzs 10.663 billioni.

Matarajio

Soko la saruji linatarajiwa kukua katika mwaka ujao na Kampuni inatarajia kuweza kuongeza mauzo ipasavyo. Saruji inayoingizwa kutoka nje, kukatika kwa umeme mara kwa mara na matatizo ya usafirishaji kwa njia ya reli yataendelea kuwa changamoto kuu katika mwaka 2011. Kampuni itaendelea kutafuta fursa za usafirishaji nje saruji katika kanda.

Kufungwa kwa Daftari/Rejesta ya Hisa

Daftari la/Rejesta ya wanahisa litafungwa tarehe 11 Aprili 2011. Siku ya mwisho ya biashara na gawio itakuwa tarehe 01 Aprili 2011. Gawio litalipwa mnamo tarehe 31 Mei 2011.

Charles Naude
Mwenyekiti





The suspended import duties for cement have still not been reinstated, resulting in the import of heavily subsidized cement, mainly from Pakistan.

Managing Director's Report

The year 2010 was characterized by a continued strong growth in cement demand, driven mainly by government spending on various infrastructure projects.

The timing of the commissioning of our new cement mill and packaging plant, inaugurated by His Excellency President Kikwete in May, was excellent and gave us an opportunity to take advantage of the expanding market.

In 2010 we dispatched just under 890 000 tons of cement, an increase from the previous year's 706 000 ton. This represented a growth of 25% while the total market grew by only 14%.

The suspended import duties for cement have still not been reinstated, resulting in the import of heavily subsidized cement, mainly from Pakistan. The poor supply of electricity from Tanesco continues to be a major area of concern as it forces us to use our backup generators, increasing our production cost substantially.

The collapse of the railway services in the first half of 2010 had a dramatic negative impact on our distribution cost, as almost all cement transported to the Lake District and beyond had to be transported by road at a substantially higher cost.

Despite the 24% growth in sales revenue during the year, operating profit grew by only 5% due to these constraints.

2010 Key activities

- **April**
 - Taking control of Cement Distributors (EA) Ltd. (CDEAL) by increasing share holding from 20% to 60%
 - Export initiative to Rwanda by establishing a depot in Kigali via CDEAL
- **May**
 - Inauguration of the new cement mill and packaging plant by His Excellency President Jakaya Kikwete
- **June**
 - Export initiative to Burundi by establishing a depot in Bujumbura via CDEAL
- **September**
 - The Simba Open International Tennis Tournament, sponsored by TCCL, was held in Dar es Salaam for the fifth consecutive year
- **November**
 - Thirty year anniversary celebration for Tanga Cement Company Limited

• December

- More than 100 000 tons of cement dispatched in a single month
- Implementation of SAP computer system at CDEAL

Future Prospects / Challenges

The positive market growth is expected to continue over the next few years, but at a slightly lower rate of 7% to 10 % annually.

With additional cement capacity expected to come on stream in the region and with further development towards the creation of a truly common market in East Africa, there will be increased competition over the next few years. This will put margins and sales volumes for the whole industry under increased pressure. For companies able to adapt to the new market situation, however, there will also be new business opportunities.

With modern production facilities, dedicated and well trained staff and with a very high quality image through the Simba brand, TCCL is well positioned to meet these challenges.

The acquisition of a majority share in Cement Distributors (EA) Ltd resulted in TCCL becoming the only cement manufacturer in Tanzania to control its own supply process from mining of raw materials through manufacturing, packaging and transporting to the final destination

Future development is, however, subject to policies, actions and political will from the establishment to help create a fair business environment.

Government commitment to long-term policies, clearly communicated, is needed by the cement industry to ensure continued development and investment for the future.

Erik Westerberg
Managing director





Ushuru wa uingizaji bidhaa kwa ajili ya saruji ambao uliahirishwa, bado haujarudishwa na hivyo kusababisha uingizaji kwa kiasi kikubwa cha saruji kutoka nje, hasa Pakistani.

Taarifa ya Mkurugenzi Mtendaji

Mwaka 2010 ulikuwa na ongezeko kubwa la mahitaji ya saruji, lililosababishwa hasa na matumizi ya serikali kwenye miradi mbalimbali ya miundombinu.

Uzalishaji wa kinu chetu kipya na mtambo wa ufungashaji uliozinduliwa na Mheshimiwa Rais Jakaya Mrisho Kikwete ulikuwa wa wakati mwafaka na ulitupatia fursa ya kutumia vizuri soko lililongezeka.

Mwaka 2010 tuliua takriban tani 890,000 za saruji, ambazo ni ongezeko ikilinganishwa na tani 706, 000 za mwaka uliopita. Hili ni ongezeko la asilimia 25 wakati jumla ya soko liliongezeka kwa asilimia 14. Ushuru wa uingizaji bidhaa kwa ajili ya saruji ambao uliahirishwa, bado haujarudishwa na hivyo kusababisha uingizaji kwa kiasi kikubwa cha saruji kutoka nje, hasa Pakistani.

Tatizo la umeme kutoka TANESCO liliendelea kuwa kero kubwa kwa sababu lilitulazimisha kutumia majenereta ya akiba na hivyo kuongeza kwa kiasi kikubwa gharama za uzalishaji.

Kusimama kwa huduma za reli katika nusu ya kwanza ya mwaka 2010 kumeathiri zaidi gharama zetu za usambazaji kwa sababu saruji yote iliyokwenda katika Kanda ya ziwa na zaidi ililazimika kusafirishwa kwa njia ya barabara na hivyo kuongeza zaidi gharama.

Ingawa kulikuwa na ongezeko la asilimia 24 katika mapato ya mauzo katika mwaka wa taarifa hii, faida ya shughuli ya biashara iliongezeka kwa asilimia 5 tu kutokana na matatizo haya.

Shughuli kuu kwa mwaka 2010

- **Aprili**
 - Kuongeza udhibiti wa Kampuni ya Cement Distributors East Africa Limited (CDEAL), kwa kuongeza hisa za umiliki kutoka asilimia 20 hadi asilimia 60
 - Usambazaji saruji kwenda Rwanda kwa kuweka kituo cha kuhifadhia mjini Kigali kupitia CDEAL
- **Mei**
 - Uzinduzi wa kinu kipya cha saruji na mtambo wa ufungashaji uliofanywa na Mheshimiwa Rais Jakaya Mrisho Kikwete
- **Juni**
 - Usafirishaji saruji kwenda Burundi kwa kuweka kituo cha kuhifadhia mjini Bujumbura kupitia CDEAL.
- **Septemba**
 - Mashindano ya tenesi ya wazi ya kimataifa ya Simba Cement (Simba open International Tennis Tournament), yaliyodhaminiwa na TCCL yalifanyika jijini Dar es salaam kwa mwaka wa tano mfululizo

- **Novemba**
 - Maadhimisho ya miaka thelathini ya Tanga Cement Company Limited
- **Desemba**
 - Zaidi ya tani 100,000 za saruji ziliuzwa katika kipindi cha mwezi mmoja tu
 - Utekelezaji wa mfumo wa kompyuta wa SAP katika CDEAL

Matarajio/Changamoto

Ukuaji mzuri wa soko unatarajiwa kuendelea kwa miaka michache zaidi ijayo, ingawa kwa kiwango kidogo cha asilimia 7 hadi asilimia 10 kwa mwaka.

Kutokana na ongezeko la saruji linalotarajiwa kuingia katika kanda na maendeleo zaidi kuelekea kuundwa kwa soko halisi la pamoja la Afrika Mashariki, kutakuwa na ongezeko la ushindani katika kipindi cha miaka michache ijayo. Hali hiyo itasababisha ziada ya faida na mauzo kwa sekta ya saruji kukabiliwa na shinikizo kubwa. Hata hivyo kwa makampuni yenye uwezo wa kuenda na hali mpya ya soko, kutakuwa pia na fursa mpya za biashara.

Kutokana na kuwa na mitindo ya kisasa ya uzalishaji, wafanyakazi wenye ari, bidii na wenye mafunzo na ustadi wa hali ya juu na wenye taswira ya ubora kupitia saruji ya Simba, TCCL imejidhatiti kukabiliana na Changamoto hizi.

Ununuaji wa hisa nyingi katika Kampuni ya Cement Distributors East Africa Limited (CDEAL), umesababisha TCCL kuwa kampuni ya uzalishaji ya pekee nchini Tanzania kudhibiti mchakato wake wa ugavi kuanzia uchimbaji wa malighafi, uzalishaji, ufungashaji na usafirishaji hadi kwenye kituo cha mwisho cha mteja.

Hata hivyo maendeleo ya baadaye yatategemea sana sera, hatua zinazochukuliwa na utashi wa kisiasa kutoka serikalini kusaidia kuanzisha mazingira ya biashara ya haki.

Nia ya dhati ya serikali kwa sera za muda mrefu, zilizoenezwa ipasavyo, inahitajika katika sekta ya Saruji ili kuhakikisha maendeleo endelevu na uwekezaji kwa ajili ya mustakabali.

Erik Westerberg
Mkurugenzi Mtendaji



A total of Tzs 221 million
was spent in 2010 for various projects in the country.

Corporate Social Investments

As per its CSR mission statement and policy, Tanga Cement Company sets aside 1% of profit before tax for Tanzanian community development programmes. In 2010 the company supported various community development activities in the four major focus areas of Health, Education, Community Development and the Environment. Also, the Company continued its commitment to support Tanga Business Against Crime – a CTI Tanga outreach initiative whose aim is to make Tanga a safer place in which to live and conduct business. The Company also supported Tanga Region Road Safety Committee with the road safety week.

Social investments made during the year include:

Saunyi Village in Kilindi District

Tanga Cement Company built a multipurpose hall, a kitchen, washrooms and ablution facilities. The Company built this to facilitate the education of Maasai girls in this very remote area. The facility can accommodate 120-150 students.

Women Empowerment Development Association (WEDA)

The Company built and furnished two classrooms and toilets for this Association. The Association deals with empowering women in Muheza district as well as mitigating the impact of orphans education and vulnerable children. About 200 vulnerable children and orphans as a result of HIV/AIDS are taken care of by this Association.

Kind Heart Africa – Home for Street Children

Tanga Cement Company contributed twenty tons of cement to the organisation. The cement was used to build an orphanage in Chanika, Dar es Salaam.

Rosmini Secondary School

A hundred tons of cement was donated to the expansion program of this leading secondary school in the Tanga region.

Mruwia Secondary School

The Company built one classroom and donated a total of twenty five desks with chairs. The school is in Moshi rural district, Kilimanjaro region.

Friends of Serengeti

Tanga Cement Company has been working closely with the Friends of Serengeti for a number of years. In 2010, Tanga Cement donated five hundred bags of cement for environmental preservation in the Serengeti and Tarangire National Parks. The cement was used to construct boreholes and to repair and maintain crossing drifts.

Tanga Region Authority

Tanga Cement Company donated two hundred and fifty bags of cement for building biogas plants at Pingoni area in the Tanga region.

Emboreet Village

Twenty five tons of cement was donated to this village. The cement was used to support the village authority's initiatives to solve educational problems that have beset various schools in Simanjiro.

A total of Tzs 221million was spent in 2010 for various projects in the country. In the projects that the Company supported during the year, emphasis was given to the key market areas.



Jumla ya Tzs 221 milioni zilitumika mwaka 2010 kwa ajili ya miradi mbalimbali nchini.

Uwekezaji wa Kijamii wa Kampuni

Kwa mujibu wa tamko la dhamira/rujua na sera ya CSR, Kampuni ya Tanga Cement inatenga asilimia moja ya faida kabla ya kodi kwa ajili ya programu za maendeleo ya jamii Tanzania. Mwaka 2010 Kampuni ilisaidia shughuli mbalimbali za maendeleo ya jamii katika maeneo makuu manne ya Afya, Elimu, Maendeleo ya Jamii na Mazingira. Pia Kampuni iliendelea kusaidia Tanga Business Against Crime - juhudi inayo fanywa kupitia CTI Tanga yenye lengo la kuifanya Tanga mahali salama kuishi na kufanya biashara. Kampuni pia ilisaidia Kamati ya Usalama Barabarani ya Mkoa wakati wa wiki ya nenda kwa usalama.

Uwekezaji katika jamii uliofanywa katika mwaka wa taarifa hii ni pamoja na:

Kijiji cha Saunyi katika Wilaya ya Kilindi

Kampuni ya Tanga Cement ilijenga ukumbi wa shughuli mbalimbali, pamoja na jiko, vyoo na bafu. Kampuni ilijenga ili kuwezesha elimu ya wasichana wa Kimasai katika eneo hili la pembezoni. Jengo hili linaweza kuhudumia wanafunzi 120-150.

Ushirika wa Kuwezesha Maendeleo ya Wanawake (WEDA)

Kampuni ilijenga na kuweka samani na vifaa katika vyumba viwili vya madarasa kwa ajili ya ushirika huo. Ushirika huo unashughulikia kuwawezesha wanawake wa wilaya ya Muheza pamoja na kupunguza athari ya kutopata elimu kwa walemavu na watoto wanaoishi katika mazingira hatarishi. Kiasi cha watoto 200 wanaoishi katika mazingira hatarishi na yatima waliotokana na VVU/UKIMWI wanatunzwa na ushirika huo.

Kind Heart Africa – Kituo cha Watoto wa Mtaani

Kampuni ya Tanga Cement ilitoa Msaada wa tani ishirini za saruji kwa shirika hili. Saruji hiyo ilitumika kujengea kituo cha watoto yatima Chanika, Dar es salaam.

Shule ya Sekondari ya Rosmini.

Tani mia moja za saruji zilitolewa msaada kwa mpango wa upanuzi wa shule hii ya sekondari inayoongoza katika mkoa wa Tanga.

Shule ya Sekondari ya Mruwia

Kampuni ilijenga chumba kimoja cha darasa na kuchangia jumla ya madawati ishirini na tano na viti. Shule hiyo iko wilaya ya Moshi Vijijini, mkoa wa Kilimanjaro.

Friends of Serengeti

Kampuni ya Tanga Cement imekuwa ikifanya kazi kwa karibu sana na Friends of Serengeti kwa miaka mingi. Mwaka 2010, Kampuni ya Tanga Cement ilitoa msaada wa mifuko mia tano ya saruji kwaajili ya uhifadhi wa Mazingira katika Hifadhi za Taifa za Serengeti na Tarangire. Saruji ilitumiwa kujengea visima na kufanya ukarabati na matengenezo ya sehemu za kuvukia za barabara.

Mamlaka ya Mkoa wa Tanga

Kampuni ya Tanga Cement ilitoa msaada wa mifuko mia mbili na hamsini ya saruji kwa kujengea mitambo ya biogas eneo la Pingoni, mkoa wa Tanga.

Kijiji cha Emboreet

Kijiji hiki kilipewa msaada wa tani ishirini na tano za saruji. Saruji hii ilitumiwa kwa ajili ya kusaidia juhudi za mamlaka ya vijiji kutanzia matatizo ya elimu yanayosumbua shule mbalimbali za Simanjoro.

Jumla ya Tzs 221 milioni zilitumika mwaka 2010 kwa ajili ya miradi mbalimbali nchini. Katika miradi hiyo ambayo Kampuni imesaidia katika mwaka wa taarifa hii, msisitizo uliwekwa katika maeneo makuu ya masoko.



The Company met or exceeded all its emission targets during the year, keeping it well within the legal limits.

Environment • Mazingira

The Company met or exceeded all its emission targets during the year, keeping it well within the legal limits.

The ISO 14001 program was audited for the third time and re-certified for the next three years.

Maintenance of the rehabilitated quarries continued, at both the limestone site in Tanga and at the pozzolana site in Holili.

During the year a teak plantation was started on land adjacent to the factory. Over three thousand trees were planted, which in due course will result in considerable environmental improvement and provide a valuable resource for a future generation.

Kampuni ilifikia au ilivuka malengo yake yote ya utoaji vumbi kwa mwaka, ndani ya viwango vilivyowekwa kisheria.

Programu yetu ya ISO 14001 ilipitiwa na wakaguzi kwa mara ya tatu na kuidhinishwa tena kwa kipindi kingine cha miaka mitatu.

Ukarabati wa machimbo uliendelea, kwa maeneo ya machimbo ya mawe ya chokaa yaliyopo eneo letu la Tanga na ya Pozzolana yaliyopo Holili.

Katika kipindi cha mwaka upandaji wa mitiki ulianza kwenye ardhi iliyopakana na kiwanda. Zaidi ya miti elfu tatu ilipandwa, ambayo inatazamiwa kwa kiasi kikubwa kuboresha mazingira na kuandaa rasilimali kwa kizazi kijacho.



Continual improvement, in line with our environmental policy, remains the Company's focus for the coming year.

Uboreshaji endelevu, unaokwenda sambamba na rujua yetu ya mazingira, unabaki kuwa lengo la kampuni kwa mwaka ujao.



Environmental Policy

Our actions today mould the future

Policy

Tanga Cement Company Limited (TCCL) recognizes the universal right of the present and future generations to an environment that is not harmful to human well-being. We therefore conduct our operations in such a way that we minimize any potential adverse effects of the cement processes and products on the community, the environment, and ourselves. Tanga Cement believes that the best mechanism to ensure that this right is maintained is through the adoption of practices consistent with the goals of sustainable development, striving to obtain a balance between economic performance, social responsibility and environmental improvement.


In order to achieve these goals, the company will conduct its activities within the following strategy framework.

Strategic Objectives

Tanga Cement Company Management is committed to:

1. Provide necessary resources to achieve these objectives.
2. Comply with applicable environmental legislation, regulations, and other requirements which relate to company environmental aspects.
3. Establish and maintain an environmental management system that complies with the requirements of the ISO 14001:2004.
4. Achieve continual improvement through the process of risk management, execution of performance assessments and implementation of improvement programmes.
5. Optimal utilization of resources through the reduction of waste and use of fossil fuels, use of renewable, recycled, and environmentally friendly resources.
6. Prevention of pollution and minimization of dust and noxious gas emissions.
7. Develop an emergency preparedness programme identifying potential environmental risks of Tanga Cement operational activities and products with the subsequent implementation and maintenance of risk mitigation measures.
8. Provide appropriate environmental training for all employees and contractors with a view to achieving the objectives of this policy.
9. Perform rehabilitation on all mining sites, concurrently and on closure of operations, in order to ensure a self-sustaining or positively usable landform for future generations.
10. Actively and openly participate in environmentally related dialogue with our stakeholders, including employees, contractors, the government, non-governmental organisations and representatives from community organisations.
11. Preferentially support and assist environmentally responsible suppliers of goods and services.

The TCCL Environmental Policy is a dynamic document that will be reviewed on a regular basis to take cognizance of improved environmental understanding and practice and be communicated to employees and contractors. It may also be viewed on www.simbacement.co.tz.

Issued by		Revision Number	06
	Managing Director Erik Westerberg,	Date	17-09-2010



Simba cement is produced through a process that is carefully designed and controlled by a team of dedicated professionals.

Quality • Ubora

SIMBA CEMENT

Simba's high quality cement products have made a significant contribution to various infrastructural developments in East Africa since the Company's inception in 1980.

Simba cement is produced through a process that is carefully designed and controlled by a team of dedicated professionals. The performance of our cement is constantly monitored to maintain the highest standards of quality, consistency and strength.

Our production processes are constantly reviewed and improved to ensure optimal efficiency, with the lowest possible impact on the environment.

Products

Simba cement is produced in accordance with Tanzania cement standard TZS 721-1:2002, which is equivalent to European standard EN 197-1:2000 and East African standard EAS 18-1:2001

We produce two types of cements for different applications:

CEM II/B-L 42,5 N

CEM II/B-L 42,5 N is Portland composite cement with limestone additive. It is a high strength class cement and can be used in applications such as:

- Structures, structural and non-structural cast constructions
- Reinforced concrete for foundations, columns, beams, slabs, girdles, bearing walls etc.
- Precast elements made of normal and reinforced concrete, used for repairs in civil and industrial works, fillings, coating etc.
- Special floor screeds and mortars

CEM IV/B 32,5 R

CEM IV/B 32,5 R is Portland composite cement with pozzolana & limestone additives. It is a normal strength, all-purpose class cement, suitable for applications such as:

- Structural and non-structural casting, foundations, columns, beams, walls, girdles, paving slabs, kerbs, interlocking pavement slabs, bricks etc.
- Elements made of normal and reinforced concrete in environments with low and moderate aggressiveness
- Elements made of reinforced concrete, in environments with low carbon aggressiveness and sulphate activity
- Mortars for filling the joints between precast elements
- Mortars for special flooring etc.

SIMBA CEMENT

Bidhaa za ubora wa hali ya juu za saruji ya Simba zimetoa mchango mkubwa kwenye maendeleo mbalimbali ya miundombinu katika Afrika Mashariki tangu Kampuni ilipoanzishwa mwaka 1980.

Saruji ya Simba inazalishwa kupitia mchakato uliobuniwa kwa makini na kudhibitiwa na timu ya wataalamu wenye ari na juhudi. Utendaji wa saruji yetu unafuatiliwa mara kwa mara ili kudumisha viwango vya juu kabisa vya ubora, uthabiti na uimara.

Mchakato wetu wa uzalishaji unapitiwa mara kwa mara na kuboreshwa kuhakikisha ufanisi wa hali ya juu, na kusababisha athari ndogo zaidi kwa mazingira.

Bidhaa

Saruji ya Simba inazalishwa kwa mujibu wa Kiwango cha saruji cha Tanzania, TZS 721-1:2002, ambacho ni sawa na kiwango cha Ulaya cha EN 197-1:200 na Kiwango cha Afrika Mashariki na EAS 18-1:2001

Tunazalisha aina mbili za Saruji kwa matumizi mbalimbali:

CEM II/B-L 42,5 N

CEM II/B - L 42,5 N ni saruji yenye mchanganyiko ya Portland yenye viungo vya pozzolana na mawe ya chokaa. Ni saruji yenye kiwango cha juu cha uimara na inaweza kutumiwa kwa matumizi kama vile:

- Majengo, majengo ya kumimina na yasiyo ya kumimina.
- Zege lililoimarishwa kwa ajili ya msingi, nguzo, mihimili, mabamba, chanja, mikanda, kuta zinazobeba jingo nk.
- Vitu vilivyo tengenezwa kabla kwa kutumia zege la kawaida na lililoimarishwa, vinavyotumiwa kwa ukarabati na matengenezo katika ujenzi wa majengo ya kawaida na viwandani, kujazia, kupiga lipu nk.
- Fito maalumu za kupaka rangi kwenye sakafu na mchanganyiko wa saruji na mchanga (mota)

CEM V/B 32,5 R

CEM IV/B 32,5 R ni saruji mchanganyiko ya Portland yenye viungo vya pozzolana na mawe ya chokaa. Ni saruji yenye uimara wa kawaida, saruji ya kiwango cha juu cha matumizi yoyote, inafaa zaidi kwa matumizi kama vile:-

- Majengo ya kumimina na yasiyo ya kumimina, msingi, nguzo, mihimili, kuta, chanja, mabamba ya vijia, vikuta vya kingo za barabara, vibamba/vitofali vya kupachika vya vijia, matofali n.k
- Vitu vilivyotengenezwa kwa zege la kawaida na lililoimarishwa kwa ajili ya mazingira yenye athari chache au za wastani
- Vitu vilivyotengenezwa kwa zege lililoimarishwa katika mazingira yenye kiwango kidogo cha athari ya kaboni na utendaji wa salfeti
- Mchanganyiko wa saruji na mchanga (mota) kwa ajili ya kujazia mianya ya viungo kati ya zege lililominwa.
- Mchanganyiko wa saruji na mchanga (mota) maalumu kwa ajili ya utiaji sakafu n.k



Quality Policy

Our actions today mould the future

Policy


The vision of Tanga Cement Company Limited (TCCL) is to become the most admired, efficient and profitable cement operation within East Africa. In order to maintain our core values of integrity and a commitment to everything we do, we will consistently provide products and services in line with the requirements of our customers. This quality policy will guide behavior that aims to develop, implement and maintain a quality culture of customer satisfaction. To achieve this, the following objectives have been defined:

Objectives

- TCCL management will provide employees with adequate resources in order to achieve the stated objectives.
- Comply with the requirements of the ISO 9001 : 2008 series of quality management system standards and the product requirements of the TZS 727:2002 and EAS 18-1: 2001.
- Identify customer requirements, plan their realisation and measure our success in meeting them.
- Set specific quality objectives appropriate to the activities of our business, measure the progress and review the achievement thereof.
- Audit and continually improve the effectiveness of TCCL's documented quality management system.
- Increase quality awareness throughout TCCL.
- Agree to key performance indicators which are directed towards quality performance, meeting long term business goals and personal growth.
- Communicate TCCL Quality Policy to stakeholders.

All TCCL employees will work together with management in the execution of this policy by acting upon non-conformities that have an impact on the quality of TCCL products and services.

This policy will be reviewed on a periodic basis to ensure that it is best suited to realizing TCCL's long term business goals.

Issued by		Revision Number	04
	Managing Director Erik Westerberg,	Date	20-12-2010



Value added Statement

for the year ended 31 December 2010

	2010 Tzs '000'	%	2009 Tzs '000'	%
Value Added				
Gross Turnover	149,181,278		119,898,248	
Other Income	244,248		390,898	
Other operating expenditure	(85,883,739)		(61,993,339)	
	<u>63,541,787</u>	100	<u>58,295,807</u>	100
Revenue				
To Employees	12,550,227	19.8	12,010,444	20.6
To Government-Corporate Income Tax	12,501,851	19.7	13,414,337	23.0
To Shareholders-Dividend	16,490,801	26.0	-	0.0
To Lending Institutions	806,180	1.3	-	0.0
To Expansion and Growth				
-Depreciation	5,489,312	8.6	2,450,783	4.2
-Retained Income	15,703,416	24.7	30,420,243	52.2
	<u>63,541,787</u>	100	<u>58,295,807</u>	100

Taarifa ya Thamani Iliyoongezwa

kwa mwaka ulioishia tarehe 31 Desemba 2010

	2010 Tzs '000'	%	2009 Tzs '000'	%
Thamani Iliyoongezwa				
Pato Ghafi	149,181,278		119,898,248	
Kipato Tofauti	244,248		390,898	
Matumizi mengine ya uendeshaji	(85,883,739)		(61,993,339)	
	<u>63,541,787</u>	100	<u>58,295,807</u>	100
Mapato				
Kwa Wafanyakazi	12,550,227	19.8	12,010,444	20.6
Kwa Serikali - Kodi ya mapato ya Kampuni	12,501,851	19.7	13,414,337	23.0
Gawio kwa Wanahisa	16,490,801	26.0	-	0.0
Kwa Vyombo vya Ukopeshaji	806,180	1.3	-	0.0
Kwa Upanuzi na Kukua				
-Uchakavu	5,489,312	8.6	2,450,783	4.2
-Mapato yaliyobakizwa	15,703,416	24.7	30,420,243	52.2
	<u>63,541,787</u>	100	<u>58,295,807</u>	100





SIMBA
CEMENT
Building Tanzania

Annual Report 2010

General Information

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Tanga Cement Company Limited
Pongwe Factory Area
P.O. Box 5053
Tanga

COMPANY SECRETARY

Mr B Griesel
Tanga Cement Company Limited
Pongwe Factory Area
P.O. Box 5053
Tanga

AUDITORS

Ernst & Young
Utalii House, 36 Laibon Road, Oysterbay
P.O. Box 2475
Dar es Salaam

LEGAL ADVISORS

Rex Attorneys
Rex House, 145 Magore Street, Upanga
P.O. Box 7495
Dar es Salaam

TAX ADVISORS

PricewaterhouseCoopers
International House
P.O. Box 45
Dar es Salaam

MAIN BANKERS

National Bank of Commerce Limited
P.O. Box 71625
Tanga

Citibank Tanzania Limited
P.O. Box 5031
Dar es Salaam

Standard Chartered Bank Tanzania Limited
P.O. Box 9011
Dar es Salaam

Stanbic Bank Tanzania Limited
P.O. Box 72647
Dar es Salaam





The Board takes overall responsibility for the Group, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters and reviewing the performance of management against budgets and business plans.



SIMBA CEMENT



The Directors submit their report and the audited financial statements for the year ended 31 December 2010 which disclose the financial performance and the state of affairs of Tanga Cement Company Limited.

Report of the Directors

for the year ended 31 December 2010

The Directors present their report and the audited consolidated financial statements for the financial year ended 31 December 2010 which disclose the state of affairs of Tanga Cement Company Limited (the Company) and its subsidiary, Cement Distributors (EA) Limited (together, the Group).

1. INCORPORATION

The Company is incorporated in Tanzania under Tanzanian Companies Act, 2002 as a private Company limited by shares.

2. COMPANY'S VISION

To become the most admired, efficient and profitable cement operation in East Africa.

3. COMPANY'S MISSION

Our mission is to be East Africa's most respected and attractive Company in our industry - creating value for all our stakeholders.

4. PRINCIPAL ACTIVITIES

The principal activities of the Company during the year continued to be manufacturing, selling and distributing clinker and cement.

5. COMPOSITION OF THE BOARD OF DIRECTORS

The Directors of the Company at the date of this report and who have served since January 2010:

Name	Position	Age	Nationality
Mr C. Naude	Chairperson	53	South African
Mr J. Fluhmann	Managing Director (Resigned 30 June 2010)	56	Swiss
Mr M. Lekota	Director	53	South African
Mr E. Westerberg	Managing Director (Appointed 1 August 2010)	58	Swedish
Prof. S. M. Wangwe	Director	62	Tanzanian
Ms G. Rubambey	Director (Resigned 14 May 2010)	65	Tanzanian
Mrs J. Nyimbo-Taylor	Director (Resigned 08 October 2010)	50	Tanzanian
Dr S. Olivier	Director (Appointed 14 May 2010)	51	South African
Mr C. K. Kariwa	Director	50	Tanzanian
Mr K. Omar	Director	46	Tanzanian

With the exception of Mr E. Westerberg the Managing Director and Mrs J. Nyimbo-Taylor, all other Directors were non-executive.

The Company Secretary during the year ended 31 December 2010 was Mr B. Griesel, South African.

6. CORPORATE GOVERNANCE

Code of Corporate Practice and Conduct

Tanga Cement Company Limited is committed to the principles of effective corporate governance and the Board is of the opinion that the Group currently complies with the principles of good corporate governance.

The Board of Directors

The Board of Tanga Cement Company Limited consists of seven Directors. The Board takes overall responsibility for the Group, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters and reviewing the performance of management against budgets and business plans. 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 chaired by a Director who has no executive functions. The roles of Chairman and Managing Director are separate, with each having set responsibilities.

The Board is confident that its members have the knowledge, talent and experience to lead the Company. The Non-Executive Directors are independent of management and exercise their independent judgment. With their depth of experience, they add value to Board deliberations.

The Board is required to meet at least four times a year. The Board delegates the day-to-day management of the business to the Managing Director, assisted by senior management. Senior management is invited to attend Board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and co-ordination between all the various business units.

All Directors have access to the Company Secretary and his services and may seek independent professional advice if necessary. It is the Company's philosophy to manage and control its business on a decentralised basis. Senior management meets on a monthly basis to review the results, operations, key financial indicators and business strategy of the Company. Board meetings are held quarterly to deliberate the results of the Group.

Performance evaluation and reward

Details of the remuneration of Directors are disclosed in note 11 to this report. The Company utilises the results of market surveys to ensure market related salaries are paid and that market related trends are followed in terms of changes in benefits, while at the same time taking into account the intrinsic value of individual contributions. A portion of the remuneration of all managerial staff, especially senior management, is linked to the performance of their respective business units and of the Company as a whole.

Risk management and internal control

The Board accepts final responsibility for the risk management and internal control systems of the Group. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

The effectiveness and efficiency of operations:

- The safeguarding of the Company's assets (including information);
- Compliance with the applicable laws, regulations and supervisory requirements;
- The reliability of the accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Consequently, even a strict and efficient internal control system can provide no more than a reasonable measure of assurance in respect of the above mentioned objective.

The Board assessed the internal control systems throughout the financial year ended 31 December 2010 and is of the opinion that they met acceptable criteria.

Ethical behavior

The Company's Code of Conduct governs all its activities, internal relations and interactions with stakeholders in accordance with its ethical values. All staff are expected to maintain the highest level of integrity and honesty in dealing with customers, suppliers, service providers and colleagues.

Compliance with the Code of Conduct is the ultimate responsibility of the Managing Director and the Company Secretary, with day-to-day monitoring delegated to line management.

The code is supplemented by the Company's responsibility philosophy as well as its employment practices and its occupational health and safety controls.

Business ethics and organisational integrity

The Company's Code of Conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its Directors, managers, employees, customers, suppliers, competitors, investors, shareholders and the public in general. The Directors and staff are expected to fulfil their ethical obligations in such a way that the business is run strictly according to fair commercial competitive practices.

Financial reporting and auditing

The Directors accept final responsibility for the preparation of the annual consolidated financial statements which fairly present:

- The financial position of the Company and the Group as at the end of the year under review;
- The financial results of operations and;
- The cash flows for that period.

The responsibility for compiling the annual consolidated financial statements was delegated to management.



The external auditors report on whether the annual consolidated financial statements are fairly presented.

The Directors are satisfied that during the year under review:

- Adequate accounting records were maintained;
- An effective system of internal control and risk management, monitored by management, was maintained;
- Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently; and
- The consolidated financial statements were compiled in accordance with International Financial Reporting Standards and in the manner required by the Tanzanian Companies Act, 2002.

The Directors are also satisfied that no material event has occurred between the financial year-end and the date of this report.

The Directors are of the opinion that the Group has sufficient resources and commitments at its disposal to operate the business for the foreseeable future. The consolidated financial statements have been prepared on a going concern basis.

The Company is committed to the principles of effective corporate governance. The Directors also recognise the importance of integrity, transparency and accountability. During the year the Board of Tanga Cement Company Limited had the following sub-committees to ensure a high standard of corporate governance throughout the Company.

Name	Nationality	Qualification
Audit Committee		
1. Prof. S. M. Wangwe (Chairman)	Tanzanian	Phd (Economics), BA (Economics)
2. Mr C. Naude	South African	Bsc Hons, MBL
3. Mr M. Lekota	South African	Bcom, MBA

The Audit Committee reports to the Board.
The Audit Committee met twice during the year.

Risk Committee

1. Mr C. K. Kariwa (Chairman)	Tanzanian	LLB (Hons)
2. Mr E. Westerberg	Swedish	Mechanical Engineer

The Risk Committee reports to Board of Directors.

The Risk Committee met twice during the year.

Remuneration Committee

1. Mr C. Naude (Acting Chairman)	South African	Bsc Hons MBL
2. Prof S. M Wangwe	Tanzanian	Phd Economics, BA Economics

The Remuneration Committee reports to Board of Directors.

The Board met once during the year.

7. CAPITAL STRUCTURE

The Company capital structure for the year under review is shown below:

Authorised, called up and fully paid

63,671,045 Ordinary shares of Tzs 20 each (2009: 63,671,045 ordinary shares)

Financed by:

Term loan of Tzs 10 billion repayable in instalments quarterly over two years. Outstanding balance as at 31 December 2010 is Tzs 7.5 billion. This term loan was acquired for the purpose of financing working capital. For more details refer to Note 33.

8. MANAGEMENT

The Management of the Company is led by the Managing Director and is organized in the following functions:

- Finance;
- Plant Management;
- Sales and Marketing;
- Occupation Health, Safety and Environment;



- Human Resources and Administration;
- Projects; and
- Corporate Communication.

9. KEY MANAGEMENT PERSONNEL OF THE COMPANY

The key management personnel who served the Company during the year ended 31 December 2010 were:

Mr E. Westerberg	Managing Director
Mrs S. Makupa	Acting Human Resources Manager
Mr B. Lema	Plant Manager
Mr B. Griesel	Commercial Manager
Mr O. Kitomari	Occupational Health, Safety & Environment Manager
Mr H. Duggal	Head of Strategic Planning and Marketing
Mr A. Osman	Project Manager
Ms M. Noor	Acting Communication Manager

10. SHAREHOLDERS OF THE COMPANY

The top ten shareholders at 31 December 2010 were:

AfriSam (Mauritius) Investment Limited	62.5%
Public Service Pension Fund	7.18%
National Social Security Fund	6.54%
Social Action Trust Fund	1.79%
The Registered Trustees of Tanga Cement Company Limited Employees Scheme	1.07%
Sajjad F. Rajabali	0.58%
Aunali F. Rajabali	0.53%
Government Employees Provident Fund	0.35%
The Local Authorities Pensions Fund	0.35%
BP Tanzania Provident Trust Limited	0.32%

Member summary as at 31 December 2010:

	No. of Members	Number of Shares
1-1,000	9,526	3,210,906
1,001-5,000	1,355	3,804,553
5,001-10,000	391	2,383,561
10,000 plus	113	14,477,622
AfriSam (Mauritius) Investment Limited	1	39,794,403
Total	11,386	63,671,045

Directors holding shares of the Company are listed below:

Prof. S. M. Wangwe:	2,000 ordinary shares.
---------------------	------------------------

11. DIRECTORS' REMUNERATION

The remuneration for services rendered by the Directors of the Company in 2010 was as follows:

	Amount in Tzs
Chairman of the Board of Directors	15,369,250
Other Directors	77,649,750

During the year under review, Executive Directors' remuneration was Tzs 464 million (2009: Tzs 451 million).

12. STOCK EXCHANGE INFORMATION

On 26 September 2002 the Company went public and its shares started to trade at the Dar es Salaam Stock Exchange. During the year, shares of the Company were continuously traded in the secondary market through auctions organised by Dar es Salaam Stock Exchange (DSE). In



the year 2010 the performance of the Company's shares in the secondary market was as follows: Market capitalization as at 31 December 2010 was Tzs 120,970 million (2009: Tzs 112,061 million). Total turnover of Company's shares at DSE was Tzs 719,584,080 (2009: Tzs 4,757,680,760). The average price of Company shares was Tzs 1,829 per share (2009: Tzs 1,823) and the prevailing share price as at 31 December 2010 was Tzs 1,900 per share (IPO price Tzs 360 per share).

13. FUTURE DEVELOPMENT PLANS

The cement market is expected to grow during coming year and the Company expects to be able to increase sales volume and market share. Imported cement, electricity supply interruptions and rail service delivery problems will continue to be the major challenges in 2011. The Company will actively pursue export opportunities in the region in order to reduce dependency on the domestic market. The Company continues to improve its profitability through the introduction of innovative products, focusing on value-added customer services and selective expansion of its capital expenditure while carefully managing both costs and risks. The Company will continue to focus on improving productivity and introducing new products to the market.

14. RESULTS AND DIVIDEND

The directors declared an interim dividend of Tzs 80 per share during the year. The Board proposes a final dividend of Tzs 167 per share, giving a total dividend of Tzs 247 per share for the year (2009: Tzs 179 per share).

15. PERFORMANCE FOR THE YEAR

The total market volume of cement in Tanzania grew by 14% during the year, while the Company's domestic sales grew by 25%. The Company's share of the market increased by 3% and export sales volume increased by 7%. Although the Company's sales revenue increased by 24% in line with the increased volume, operating profit only increased by 5%, mainly due to the increased use of expensive imported clinker necessities by major refurbishment work on the plant in March and April.

The detailed financial performance of the Company during the year is set out on page 16 of these consolidated financial statements.

16. SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the consolidated financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that Tanga Cement Company Limited has adequate resources to continue in operational existence for the foreseeable future.

17. ACCOUNTING POLICIES

The annual consolidated financial statements are prepared on the underlying assumption of a going concern.

The Company's accounting policies, which are laid out on pages 21 to 38, are subject to an annual review to ensure continuing compliance with International Financial Reporting Standards.

18. ACQUISITIONS AND DISPOSALS

The Company acquired an additional 40% of the share capital of Cement Distributors (EA) Limited during year 2010 (2009: 20%). There was no material disposal of business during the year 2010 (2009: Nil).

19. INVESTMENTS

The Company owned 60% of the share capital of Cement Distributors (EA) Limited and 20% of the share capital of East African Rail Hauliers Limited. Detailed information regarding the Company's interests in its associate is given in Note 22 to the consolidated financial statements.

20. EMPLOYEES' WELFARE

Management and Employees' Relationship

A healthy relationship continues to exist between management and the trade union. A voluntary agreement signed in 2010 will expire in 2013. There were no unresolved complaints received by management from the employees during the year.

The Company 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 gender, marital status, tribe, religion or disability.

Training Facilities

When presenting its annual budget for the year 2010, the Company spent a sum of Tzs 197 million for staff training in order to improve employees technical skills and effectiveness (2009: Tzs 185 Million). Programs have been and continue to be developed to ensure that employees are adequately trained at all levels.

Medical Scheme

All employees and their dependants are covered under the Company's Medical Scheme.

Health and Safety

The Company has a health and safety department which ensures that a culture of safety prevails at all times. All employees and contractors are provided with appropriate personal protective equipment, all of which meets the Occupational Health and Safety Act 2003 and other legislation concerning industrial safety.



Financial Assistance to Staff

The Company provides education loans for approved study course and also encourages staff to join the Tanga Cement Savings and Credit Cooperative Society (SACCOS).

Persons with Disabilities

It remains the Company's policy to accept disabled persons for employment for those vacancies that they are able to fill. Opportunities for advancement are provided to each disabled person when a suitable vacancy arises with the organisation and all necessary assistance is given with initial training. Where an employee becomes disabled during the course of his or her employment, the Company will seek to provide suitable alternative employment and any necessary training.

Employee Benefit Plans

Some employees are members of Parastatal Pension Fund (PPF) and others are members of National Social Security Fund (NSSF). The Company contributes 15% of basic salary of each employee to PPF and 10% of gross salary to NSSF on behalf of all permanent employees. All these plans are defined contribution plans.

The Company's employment terms are regularly reviewed to ensure that they continue to meet statutory and market conditions. The Company communicates with its employees through regular management and staff meetings and through circulars. The Company has continued to maintain a conducive working environment in terms of offices, canteen, medical facilities and transport.

The average number of employees during the year was 293 (2009 : 311).

21. GENDER PARITY

The Company had 293 (2009: 311) employees, of which 30 were female and 263 were male (2009: 31 female and 280 male).

22. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in Note 34 to these consolidated financial statements.

23. POLITICAL DONATIONS

The Company did not make any political donations during the year.

24. ENVIRONMENTAL CONTROL PROGRAMME

The Company has a formal environment control accreditation program, with all operations following the ISO 14001:2004 system.

25. QUALITY

The Company has a formal quality assurance accreditation program, with all operations following the ISO 9001:2008 system (2009: ISO 9001:2008 system).

26. CORPORATE SOCIAL INVESTMENT

During the year Tanga Cement Company Limited continued to support Tanzanian society through its Corporate Social Responsibility program. The areas that have been supported are community development, education, health and environment. The Company has continued to support Tanga Business Against Crime to help fight crime. During the year the Company contributed Tzs 221 million towards various corporate social investment initiatives.

27. AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office as auditors and are eligible for reappointment. A resolution proposing the re-appointment of Ernst & Young as auditors of the Company for the year 2011 will be tabled at the Annual General Meeting.

BY ORDER OF THE BOARD

Charles Naude - Chairperson
4 March 2011



Erik Westerberg - Managing Director
4 March 2011



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

Statement of Directors Responsibilities

for the year ended 31 December 2010

The Tanzanian Companies Act, 2002 requires Directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Tanzanian Companies Act, 2002. The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit or loss.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated financial statements, as well as adequate systems of internal financial control.

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



Charles Naude - Chairperson
4 March 2011



Erik Westerberg - Managing Director
4 March 2011



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

Independent Auditor's Report

for the year ended 31 December 2010

We have audited the accompanying consolidated financial statements of **Tanga Cement Company Limited (the Company)** and its subsidiary, **Cement Distributors (EA) Limited** (together, the Group), which comprise the consolidated statement of financial position as at 31 December 2010 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 16 to 58.

Directors' responsibilities for the consolidated financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and Group as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Tanzanian Companies Act, 2002.

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 Tanzanian Companies Act, 2002 and for no other purposes.

As required by the Tanzanian Companies Act, 2002, we report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books;
- The report of the Directors is consistent with the consolidated financial statements;
- Information specified by law regarding Directors' remuneration and transactions with the Group is disclosed; and
- The Group's consolidated statement of financial position and consolidated statement of comprehensive income are in agreement with the books of account.



Ernst & Young
Certified Public Accountants
Dar es Salaam

Michael Kimoni
4 March 2011



Consolidated Statements of Comprehensive Income

for the year ended 31 December 2010

	Notes	Company 2010 Tzs' 000	Group 2010 Tzs' 000	Company 2009 Tzs' 000	Group 2009 Tzs' 000
Revenue	6	149,181,278	199,428,259	119,898,248	119,898,248
Cost of sales	7	(89,465,874)	(131,843,967)	(63,828,094)	(63,828,094)
Gross profit		59,715,404	67,584,292	56,070,154	56,070,154
Other income	9(a)	244,248	251,579	361,012	361,012
Other expenses	9(b)	(25,628)	-	(206,083)	(206,083)
Selling expenses	10	(1,939,858)	(1,939,858)	(1,297,792)	(1,297,792)
Administration expenses	11	(6,995,412)	(12,823,099)	(7,327,710)	(7,327,710)
Depreciation and amortisation	19	(5,489,312)	(5,698,387)	(2,450,783)	(2,450,783)
Operating profit	12	45,509,442	47,374,527	45,148,798	45,148,798
Finance costs	13	(806,180)	(880,586)	-	-
Finance income	14	78,445	78,445	58,101	58,101
Foreign exchange losses	15	(1,450,858)	(1,227,762)	(1,763,217)	(1,763,217)
Share of profit of associates	16	797,709	797,709	390,898	390,898
Impairment of an associate	22	(131,171)	(131,171)	-	-
Profit before tax		43,997,387	46,011,162	43,834,580	43,834,580
Income tax expense	17	(12,501,850)	(13,485,040)	(13,414,337)	(13,414,337)
Profit for the year		31,495,537	32,526,122	30,420,243	30,420,243
Other comprehensive income					
Gain in fair value of pre-acquisition shares	22	698,681	698,681	-	-
Total comprehensive income for the year		32,194,218	33,224,803	30,420,243	30,420,243
Profit for the period attributable to:					
Owners of the parent		31,495,537	31,634,254	30,420,243	30,420,243
Non-controlling interests		-	891,868	-	-
		31,495,537	32,526,122	30,420,243	30,420,243
Total comprehensive income attributable to:					
Owners of the parent		32,194,218	32,332,935	30,420,243	30,420,243
Non-controlling interests		-	891,868	-	-
		32,194,218	33,224,803	30,420,243	30,420,243
Basic earnings per share (Tzs)	18(a)	506	522	478	478
Diluted earnings per share (Tzs)	18(b)	506	522	478	478



Taarifa ya Mapato

kwa mwaka ulioishia tarehe 31 Desemba 2010

	Maelezo	Kampuni 2010 Tzs' 000	Kundi 2010 Tzs' 000	Kampuni 2009 Tzs' 000	Kundi 2009 Tzs' 000
Mapato	6	149,181,278	199,428,259	119,898,248	119,898,248
Gharama ya Mauzo	7	(89,465,874)	(131,843,967)	(63,828,094)	(63,828,094)
Faida ya ghafi		59,715,404	67,584,292	56,070,154	56,070,154
Mapato mengine	9(a)	244,248	251,579	361,012	361,012
Gharama nyingine	9(b)	(25,628)	-	(206,083)	(206,083)
Gharama za uuzaji	10	(1,939,858)	(1,939,858)	(1,297,792)	(1,297,792)
Gharama za utawala	11	(6,995,412)	(12,823,099)	(7,327,710)	(7,327,710)
Uchakavu	19	(5,489,312)	(5,698,387)	(2,450,783)	(2,450,783)
Faida ya Uendeshaji	12	45,509,442	47,374,527	45,148,798	45,148,798
Gharama za Fedha	13	(806,180)	(880,586)	-	-
Mapato ya Fedha	14	78,445	78,445	58,101	58,101
Hasara ya Fedha za Kigeni	15	(1,450,858)	(1,227,762)	(1,763,217)	(1,763,217)
Hisa ya Faida ya Wenza	16	797,709	797,709	390,898	390,898
Udhoofkaji wa Mshirika	22	(131,171)	(131,171)	-	-
Faida kabla ya Kodi		43,997,387	46,011,162	43,834,580	43,834,580
Gharama za Kodi ya Mapato	17	(12,501,850)	(13,485,040)	(13,414,337)	(13,414,337)
Faida kwa Mwaka		31,495,537	32,526,122	30,420,243	30,420,243
Pato kuu jingine					
Faida katika thamani ya haki ya hisa zilizotwaliwa kabla	22	698,681	698,681	-	-
Jumla ya pato kuu kwa mwaka		32,194,218	33,224,803	30,420,243	30,420,243
Faida kwa kipindi kilichoidhinishwa kwa :					
Wamiliki wa Kampuni mama		31,495,537	31,634,254	30,420,243	30,420,243
Riba isiyodhibitiwa		-	891,868	-	-
		31,495,537	32,526,122	30,420,243	30,420,243
Jumla ya Mapato yaliyoidhinishwa kwa:		32,194,218	32,332,935	30,420,243	30,420,243
Wamiliki wa Kampuni mama		-	891,868	-	-
Riba isiyodhibitiwa		32,194,218	33,224,803	30,420,243	30,420,243
Mapato ya msingi kwa hisa (Tzs)	18(a)	506	522	478	478
Mapato yaliyopunguzwa kwa hisa (Tzs)	18(b)	506	522	478	478



Consolidated Statement of Financial Position

as at 31 december

	Notes	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
ASSETS					
Non-current assets					
Property, plant and equipment	19	96,355,635	98,348,004	84,319,136	84,319,136
Intangible assets	5 & 20	-	6,321,195	-	-
Due from Employees' Share Trust	21	317,376	317,376	379,482	379,482
Investment in subsidiary	5 & 22	5,468,104	-	-	-
Investment in associates	22	-	-	291,885	291,885
		<u>102,141,115</u>	<u>104,986,575</u>	<u>84,990,503</u>	<u>84,990,503</u>
Current assets					
Inventories	23	25,242,443	30,962,073	17,176,966	17,176,966
Trade and other receivables	24	7,121,056	8,152,341	3,808,699	3,808,699
Cash and cash equivalents	25	8,182,860	9,566,666	10,169,853	10,169,853
		<u>40,546,359</u>	<u>48,681,080</u>	<u>31,155,518</u>	<u>31,155,518</u>
TOTAL ASSETS		<u>142,687,474</u>	<u>153,667,655</u>	<u>116,146,021</u>	<u>116,146,021</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	26	1,273,421	1,273,421	1,273,421	1,273,421
Revaluation reserves		2,596,798	2,596,798	2,668,534	2,668,534
Retained earnings		103,821,719	102,880,436	87,939,964	87,939,964
Equity attributable to owners of the parent		<u>107,691,938</u>	<u>106,750,655</u>	<u>91,881,919</u>	<u>91,881,919</u>
Non-controlling interests		-	1,935,612	-	-
Total equity		<u>107,691,938</u>	<u>108,686,267</u>	<u>91,881,919</u>	<u>91,881,919</u>
Non-current liabilities					
Interest-bearing loans	33	2,500,000	2,500,000	-	-
Provision for site restoration	27	61,446	61,446	57,445	57,445
Deferred tax liability	17	14,939,040	14,939,040	13,293,426	13,293,426
		<u>17,500,486</u>	<u>17,500,486</u>	<u>13,350,871</u>	<u>13,350,871</u>
Current liabilities					
Interest-bearing loans	33	5,000,000	5,000,000	-	-
Bank overdraft	33	-	868,676	-	-
Trade and other payables	28	12,256,301	21,279,187	10,626,875	10,626,875
Income tax payable	29	238,749	333,039	286,356	286,356
		<u>17,495,050</u>	<u>27,480,902</u>	<u>10,913,231</u>	<u>10,913,231</u>
Total liabilities		<u>34,995,536</u>	<u>44,981,388</u>	<u>24,264,102</u>	<u>24,264,102</u>
TOTAL EQUITY AND LIABILITIES		<u>142,687,474</u>	<u>153,667,655</u>	<u>116,146,021</u>	<u>116,146,021</u>

These consolidated financial statements were approved by the Board of Directors on 4 March 2011 and were signed on their behalf by:



Charles Naude
Chairperson



Erik Westerberg
Managing Director



Mizania ya Kampuni

kama ilivyokuwa tarehe 31 Desemba

Maelezo	Kampuni 2010 Tzs' 000	Kundi 2010 Tzs' 000	Kampuni 2009 Tzs' 000	Kundi 2009 Tzs' 000
RASILIMALI				
Rasilimali kudumu				
Mali, mitambo na vifaa	19	96,355,635	98,348,004	84,319,136
Rasilimali zisizoonekana	5 & 20	-	6,321,195	-
Stahili kutoka mfuko wa Hisa wa wafanyakazi	21	317,376	317,376	379,482
Uwekezaji katika kampuni tanzu	5 & 22	5,468,104	-	-
Uwekezaji kwa wenza	22	-	-	291,885
		102,141,115	104,986,575	84,990,503
				84,990,503
Rasilimali za Muda				
Bidhaa	23	25,242,443	30,962,073	17,176,966
Hesabu za kupokelewa kibiashara na nyingine	24	7,121,056	8,152,341	3,808,699
Taslimu na benki	25	8,182,860	9,566,666	10,169,853
		40,546,359	48,681,080	31,155,518
				31,155,518
JUMLA YA RASILIMALI		142,687,474	153,667,655	116,146,021
HISA NA DHIMA				
Mtaji wa Akiba				
Mtaji wa hisa ulitolewa	26	1,273,421	1,273,421	1,273,421
Akiba iliyodhaminiwa upya		2,596,798	2,596,798	2,668,534
Mapato yaliyobakishwa		103,821,719	102,880,436	87,939,964
Hisa zilizo dhinishwa kwa wamiliki wa Kampuni mama		107,691,938	106,750,655	91,881,919
Wamiliki wasiodhibitiwa		-	1,935,612	-
Jumla ya hisa		107,691,938	108,686,267	91,881,919
Dhima za kudumu				
Mikopo yenye riba	33	2,500,000	2,500,000	-
Tengo la utunzaji eneo	27	61,446	61,446	57,445
Dhima ya kodi iliyochelewa	17	14,939,040	14,939,040	13,293,426
		17,500,486	17,500,486	13,350,871
				13,350,871
Dhima za muda				
Mikopo yenye riba	33	5,000,000	5,000,000	-
Ovadrafti ya benki	33	-	868,676	-
Madeni ya kibiashara na mengineyo	28	12,256,301	21,279,187	10,626,875
Madeni ya kodi ya mapato	29	238,749	333,039	286,356
		17,495,050	27,480,902	10,913,231
				10,913,231
Jumla ya Dhima		34,995,536	44,981,388	24,264,102
JUMLA YA HISA NA DHIMA		142,687,474	153,667,655	116,146,021

Taarifa hizi kamili za fedha zili dhinishwa na Bodi ya Wakurugenzi tarehe 4 Machi, 2011 na zilitiwa saina kwa niaba yao na:



Charles Naude
Mwenyekiti



Erik Westerberg
Mkurugenzi Mtendaji



Consolidated Statement of Changes in Equity

for the year ended 31 December 2010

	Notes	Issued Capital	Revaluation Reserves	Retained Earnings	Non- Controlling Interest	Total
		Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000
COMPANY						
At 1 January 2009		1,273,421	2,795,906	57,337,761	-	61,407,088
Profit for the year		-	-	30,420,243	-	30,420,243
Other comprehensive income		-	-	-	-	-
Total comprehensive income				30,420,243		30,420,243
Transfer from deferred taxation on revalued property, plant and equipment	17	-	54,588	-	-	54,588
Transfers - depreciation transfer on revalued property, plant and equipment		-	(181,960)	181,960	-	-
At 31 December 2009		1,273,421	2,668,534	87,939,964	-	91,881,919
Profit for the year		-	-	31,495,537	-	31,495,537
Other comprehensive income		-	-	698,681	-	698,681
Total comprehensive income				32,194,218		32,194,218
Transfer from deferred taxation on revalued property, plant and equipment	17	-	106,602	-	-	106,602
Transfers - depreciation transfer on revalued property, plant and equipment		-	(178,338)	178,338	-	-
Dividends	31	-	-	(16,490,801)	-	(16,490,801)
At 31 December 2010		1,273,421	2,596,798	103,821,719	-	107,691,938
GROUP						
At 1 January 2009		1,273,421	2,795,906	57,337,761	-	61,407,088
Profit for the year		-	-	30,420,243	-	30,420,243
Other comprehensive income		-	-	-	-	-
Total comprehensive income				30,420,243		30,420,243
Transfers - depreciation transfer on revalued property, plant and equipment		-	(181,960)	181,960	-	-
Transfer from deferred taxation	17	-	54,588	-	-	54,588
Dividends		-	-	-	-	-
At 31 December 2009		1,273,421	2,668,534	87,939,964	-	91,881,919
Profit for the year		-	-	31,634,254	891,868	32,526,122
Other comprehensive income		-	-	698,681	-	698,681
Total comprehensive income				32,332,935	891,868	33,224,803
Transfers - depreciation transfer on revalued property, plant and equipment		-	(178,338)	178,338	-	-
Transfer from deferred taxation	17	-	106,602	-	-	106,602
Dividends	31	-	-	(17,570,801)	(716,465)	(18,287,266)
Acquisition of subsidiary	5	-	-	-	1,760,208	1,760,208
At 31 December 2010		1,273,421	2,596,798	102,880,436	1,935,612	108,686,267



Taarifa ya Mabadiliko ya Hisa/Mtaji

kwa mwaka ulioishia tarehe 31 Desemba 2010

Maelezo	Mtaji uliotolewa Tzs'000	Akiba iliyothamini wa upya Tzs'000	Mapato yaliyobadil- ishwa Tzs'000	Riba isiyodhibitiwa Tzs'000	Jumla Tzs'000
KAMPUNI					
Tarehe 1 Januari 2009	1,273,421	2,795,906	57,337,761	-	61,407,088
Faida kwa mwaka	-	-	30,420,243	-	30,420,243
Mapato mengine ya jumla	-	-	-	-	-
Jumla kuu ya mapato			30,420,243		30,420,243
Uhamishaji kutoka kodi iliyolipwa kwa awamu kwa mali, mitambo na zana vilivyothaminiwa upya. 17	-	54,588	-	-	54,588
Uhamishaji - uchakavu kwa mali, mitambo na zana vilivyothaminiwa upya	-	(181,960)	181,960	-	-
Tarehe 31 Desemba 2009	1,273,421	2,668,534	87,939,964	-	91,881,919
Faida kwa mwaka	-	-	31,495,537	-	31,495,537
Mapato mengine ya jumla	-	-	698,681	-	698,681
Jumla kuu ya mapato			32,194,218		32,194,218
Uhamishaji kutoka kodi iliyolipwa kwa awamu kwa mali, mitambo na zana vilivyothaminiwa upya. 17	-	106,602	-	-	106,602
Uhamishaji - uchakavu kwa mali, mitambo na zana vilivyothaminiwa upya	-	(178,338)	178,338	-	-
Magawio 31	-	-	(16,490,801)	-	(16,490,801)
Tarehe 31 Desemba 2010	1,273,421	2,596,798	103,821,719	-	107,691,938
KUNDI					
Tarehe 1 Januari 2009	1,273,421	2,795,906	57,337,761	-	61,407,088
Faida kwa mwaka	-	-	30,420,243	-	30,420,243
Mapato mengine ya jumla	-	-	-	-	-
Jumla kuu ya mapato			30,420,243		30,420,243
Uhamishaji kutoka kodi iliyolipwa kwa awamu kwa mali, mitambo na zana vilivyothaminiwa upya.	-	(181,960)	181,960	-	-
Uhamishaji kutoka kodi iliyolipwa kwa awamu kwa mali, mitambo na zana vilivyothaminiwa upya. 17	-	54,588	-	-	54,588
Magawio	-	-	-	-	-
Tarehe 31 Desemba 2009	1,273,421	2,668,534	87,939,964	-	91,881,919
Faida kwa mwaka	-	-	31,634,254	891,868	32,526,122
Mapato mengine ya jumla	-	-	698,681	-	698,681
Jumla kuu ya mapato			32,332,935	891,868	33,224,803
Uhamishaji kutoka kodi iliyolipwa kwa awamu kwa mali, mitambo na zana vilivyothaminiwa upya.	-	(178,338)	178,338	-	-
Uhamishaji kutoka kodi iliyolipwa kwa awamu kwa mali, mitambo na zana vilivyothaminiwa upya. 17	-	106,602	-	-	106,602
Magawio 31	-	-	(17,570,801)	(716,465)	(18,287,266)
Utwajaji wa kampuni tanzu 5	-	-	-	1,760,208	1,760,208
Tarehe 31 Desemba 2010	1,273,421	2,596,798	102,880,436	1,935,612	108,686,267



Consolidated Statement of Cash Flows

for the year ended 31 December 2010

	Notes	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
OPERATING ACTIVITIES					
Cash generated from operating activities	30	39,829,117	44,112,159	47,257,490	47,257,490
Dividend received		777,000	777,000	540,000	540,000
Net interest paid	13 & 14	(727,735)	(802,141)	58,101	58,101
Income taxes paid	29	(10,797,241)	(12,187,060)	(6,648,144)	(6,648,144)
Net cash flow from operating activities		29,081,141	31,899,958	41,207,447	41,207,447
INVESTING ACTIVITIES					
Acquisition of a subsidiary net of cash acquired	5 & 22	(4,588,000)	(4,588,000)	-	-
Proceeds from sale of property, plant and equipment		22,112	68,614	100,570	100,570
Purchase of property, plant and equipment	19	(17,573,551)	(18,127,275)	(28,484,828)	(28,484,828)
Net cash flow used in investing activities		(22,139,439)	(22,646,661)	(28,384,258)	(28,384,258)
FINANCING ACTIVITIES					
Employees' Share Trust	21	62,106	62,106	(379,482)	(379,482)
Proceeds from borrowings	33	10,000,000	10,000,000	-	-
Repayment of borrowings	33	(2,500,000)	(2,500,000)	-	-
Dividends paid to equity holder of parent	31	(16,490,801)	(17,570,801)	-	-
Dividend paid to non-controlling interest		-	(716,465)	-	-
Net cash flow used in financing activities		(8,928,695)	(10,725,160)	(379,482)	(379,482)
Net (decrease)/increase in cash and cash equivalents		(1,986,993)	(1,471,863)	12,443,707	12,443,707
Cash and cash equivalents at the beginning of the year		10,169,853	10,169,853	(2,273,854)	(2,273,854)
Cash and cash equivalents at the end of the year	25	8,182,860	8,697,990	10,169,853	10,169,853



Mtiririko wa Fedha

kwa mwaka ulioishia tarehe 31 Desemba 2010

Maelezo		Kampuni 2010 Tzs' 000	Kundi 2010 Tzs' 000	Kampuni 2009 Tzs' 000	Kundi 2009 Tzs' 000
SHUGHULI ZA UENDESHAJI					
Taslimu kutoka shughuli za biashara	30	39,829,117	44,112,159	47,257,490	47,257,490
Gawio lililopokewa		777,000	777,000	540,000	540,000
Riba halisi iliyolipwa	13 & 14	(727,735)	(802,141)	58,101	58,101
Kodi ya mapato iliyolipwa	29	(10,797,241)	(12,187,060)	(6,648,144)	(6,648,144)
Mapato halisi kutoka shughuli za biashara		29,081,141	31,899,958	41,207,447	41,207,447
SHUGHULI ZA UWEKEZAJI					
Utwaaji wa fedha halisi za ununuzi wa kampuni tanzu	5 & 22	(4,588,000)	(4,588,000)	-	-
Mapato kutoka mauzo ya mali, mitambo na zana		22,112	68,614	100,570	100,570
Ununuzi wa mali, mitambo na zana	19	(17,573,551)	(18,127,275)	(28,484,828)	(28,484,828)
Mapato halisi yaliyotumika katika uwekezaji		(22,139,439)	(22,646,661)	(28,384,258)	(28,384,258)
SHUGHULI ZA KUGHARIMIA					
Mfuko wa Hisa za Wafanyakazi	21	62,106	62,106	(379,482)	(379,482)
Mapato kutoka ukopaji	33	10,000,000	10,000,000	-	-
Urejeshaji wa mikopo	33	(2,500,000)	(2,500,000)	-	-
Magawio yaliyolipwa kwa wenye hisa wa Kampuni mama	31	(16,490,801)	(17,570,801)	-	-
Gawio lililolipwa kwa wasio na udhibiti		-	(716,465)		
Mapato halisi yaliyotumiwa katika shughuli za kugharimia		(8,928,695)	(10,725,160)	(379,482)	(379,482)
Kupungua/Ongezeko katika fedha taslimu na fedha linganifu		(1,986,993)	(1,471,863)	12,443,707	12,443,707
Fedha taslimu na Fedha linganifu mwanzo wa mwaka		10,169,853	10,169,853	(2,273,854)	(2,273,854)
Fedha taslimu na Fedha linganifu mwisho wa mwaka	25	8,182,860	8,697,990	10,169,853	10,169,853





The Plant was commissioned in 1980, but officially inaugurated on 15 August 1981 by the first President of the United Republic of Tanzania H E the late Mwalimu Julius K Nyerere.



The consolidated financial statements of the Group for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of Directors on 4 March 2011. Tanga Cement Company Limited is incorporated in Tanzania under the Companies Act 2002 as a limited liability Company and it is domiciled in Tanga, Tanzania.

Notes to the consolidated financial statements

For the year ended 31 December 2010

1. CORPORATE INFORMATION

The consolidated financial statements of the Group for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of Directors on 04 March 2011. Tanga Cement Company Limited is incorporated in Tanzania under the Companies Act 2002 as a limited liability Company and it is domiciled in Tanga, Tanzania. The Company's shares are publicly traded at the Dar es Salaam Stock Exchange.

The principal activities of the Company are disclosed in the Report of the Directors. Information on its holding company is presented in Note 42.

2.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis modified to include revaluation of property, plant and equipment. No other adjustments have been made for inflationary factors affecting the statements. The consolidated financial statements are prepared in Tanzanian Shillings and all values are rounded to the nearest thousand (Tzs'000) except when otherwise indicated.

The consolidated financial statements of Tanga Cement Company Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and comply with the Tanzanian Companies Act 2002.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2010.

Subsidiaries is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.



If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

b) Investment in an associate

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The share of profit of an associate is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c) Foreign currency translation

The Group's consolidated financial statements are presented in Tanzanian Shillings (Tzs), which is also the parent Group's functional currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to profit or loss with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income and accumulated in equity until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

ii) Group companies

The assets and liabilities of foreign operations are translated into Tanzanian Shilling (Tzs) at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The



exchange differences arising on the translation are recognised in other comprehensive income and accumulated in equity. On disposal of a foreign operation, the component in equity relating to that particular foreign operation is recognised through other comprehensive income into profit or loss in the statement of comprehensive income.

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates and Value Added Tax.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Technical fees

Revenue is recognised when the Group's right to receive payment is established.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated statement of comprehensive income.

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

e) Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. The current rate of corporate taxation is 30%.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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



Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax, except:

- Where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

f) Property, plant and equipment

Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. All other repair and maintenance costs are recognised in profit and loss as incurred.

Depreciation on property, plant and equipment is computed on a straight line basis over the estimated useful lives of the assets. The rates of depreciation used are:

• Leasehold land	1.00% – 10.00%
• Buildings, roads and railway siding	2.86% – 10.00%
• Plant, machinery and equipment	3.33% – 10.00%
• Motor vehicles	3.33% – 12.50%
• Fixtures, fittings and equipment	3.33% – 33.33%

The property, plant and equipment of the Company were re-valued to reflect their market value at the acquisition date by the new owners. Any excess of the value of the net assets acquired over their cost at the date of takeover is described as revaluation surplus.

An annual transfer from the revaluation surplus to retained earnings is made for the difference between the depreciation based on the re-valued carrying amount of the assets and depreciation based on the original cost of the assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset, (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate at each financial year end.

g) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date or whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight line basis over the lease term.

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. If, however, there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.



h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a protracted period of time to prepare for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The Group capitalizes borrowing costs for all eligible assets where construction was commenced on or after 1 January 2009.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in an asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

j) Financial instruments – initial recognition and subsequent measurement**(i) Financial assets****Initial recognition and measurement**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the statement of comprehensive income.

The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs.



Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income and accumulated in equity in the available-for-sale reserve until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss is reclassified to the statement of comprehensive income in finance costs and removed from the available-for-sale reserve.

The Group did not have any available for sale financial assets during the year ended 31 December 2010 (2009: Nil).

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired and
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.



In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income – is removed from other comprehensive and recognised in the income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the statement comprehensive income.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

k) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials:

Purchase cost on a first in, first out basis.

Finished goods and work in progress:

Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.



Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in other comprehensive income, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

m) Royalties

Royalties payable to the representatives of the ministry of Energy and Minerals, the Resident Mines Officer and Zonal Mines Officer and in some instances local government are included under the cost of sales. Royalties are calculated based on quantities of limestone and red soil crushed/hailed and pozzolana used during the year under review.

n) Cash and cash equivalent

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

o) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the



amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Site restoration provision

A provision is made over the life of the quarry, for the restoration of the quarry and general upkeep of the environment surrounding the quarry. The annual charge to the statement of comprehensive income is based on the expected life of the quarry and is included in operating expenditure.

The current cost is the sum of money required to return the quarry to the necessary state if paid at the end of the financial period.

p) Employees' benefits

All of the Group's local employees are either members of the National Social Security Fund (NSSF) or the Parastatal Pension Fund (PPF), which are defined contribution plans. These plans are prescribed by Law. All employees must be a member of at least one of the aforementioned. The Group and employees both contribute 10% of the employees' gross salaries to the NSSF. For PPF, the Group and employees contribute 15% and 5% of the employees' basic salaries to the scheme respectively. The contribution is charged to the Statement of comprehensive income when incurred.

q) Construction in progress

Construction in progress includes accumulated cost of property, plant and equipment which is under construction or for which cost has been incurred, but which is not yet ready for use by the Group. It also includes cost incurred for assets being constructed by third parties, assets which have not been delivered to or installed in the facility and assets which cannot be used until certain other assets are acquired and installed.

Where there is a significant interval between the time at which cost is incurred in connection with the acquisition of an asset and when the asset will be ready for use, the cost is accumulated in capital work in progress. At the time the asset is ready for use, the accumulated cost is to be transferred to the appropriate category and depreciation starts.

Construction in progress is not depreciated, since by the definition it is not yet ready for use.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2010:

- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) effective 1 July 2009, including consequential amendments to IFRS 2, IFRS 5, IFRS 7, IAS 7, IAS 21, IAS 28, IAS 31 and IAS 39;
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items effective 1 July 2009;
- IFRIC 17 Distributions of Non-cash Assets to Owners effective 1 July 2009;
- Improvements to IFRSs (May 2008); and
- Improvements to IFRSs (April 2009).

The adoption of the standards or interpretations is described below:

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

The change in accounting policy was applied prospectively and had no material impact on earnings per share.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.



IFRIC 17 Distribution of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either the financial position or performance of the Group.

Improvements to IFRSs

In May 2008 and April 2009, the IASB issued an omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

Issued in May 2008

- **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:** clarifies that when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively and has no impact on the financial position or financial performance of the Group.

Issued in April 2009

- **IAS 7 Statement of Cash Flows:** States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment did not have an impact in the statement of cash flows presentation.
- **IAS 36 Impairment of Assets:** The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Group as the annual impairment test is performed before aggregation.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IAS 1 Presentation of Financial Statements
- IAS 17 Leases
- IAS 34 Interim Financial Reporting
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedge of a Net Investment in a Foreign Operation

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – Group as a lessee

The Group has entered into lease agreements for office and residential space. The Group has determined that it does not retain significant risks and rewards of ownership of these properties and so accounts for them as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for quarry restoration

The Group's quarry is an open pit quarry with bench heights at 12 - 15 metres. The overburden materials vary in thickness, but seldom exceed 0.5 metres. The removed overburden is later used as natural backfill material on the mined benches. Limestone is mined from the quarry in a way that leaves the "used" area as a one-level horizontal plateau (bench). From management's point of view there should not be any need for provision to cover future costs for restoration of the quarry area due to continuous ongoing backfilling and the way the area is left after extraction. The Group has re-cultivated the lands of the quarry that will no longer be mined. The Group has prepared a quarry restoration plan.

Asset useful lives

The useful lives of items of property, plant and equipment are estimated annually and are in line with the rate at which they are depreciated.



Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective at the date of issuance of the Group consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective

IAS 24 Related party disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarifies the definition of related party to simplify the identification of such relationships and eliminate inconsistency in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government related services or for the entire standard.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendments)

The Amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010. It amended the definition of financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro-rata to all existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Group after initial application.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of IASBs work on the replacement of IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will affect the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss account. The adoption of this interpretation will have no effect on the financial statement of the Group.

Improvement of the IFRSs (issued in May 2010)

The IASB issued improvement to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods beginning on or after either 1 July 2010 or 1 January 2011. The amendments listed below are considered to have possible impact on the Group:

- IFRS 3 Business combinations
- IFRS 7 Financial Instrument: Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 27 Consolidation and Separate Financial Statements

The Group, however, expects no impact from the adoption of the amendments on its financial position or performance.



Notes to the consolidated financial statements

for the year ended 31 December 2010

5 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST

Acquisition done in 2010

Acquisition of Cement Distribution (EA) Limited (CDEAL)

On 1 April 2010, the Group acquired an additional 40% of the ordinary shares of Cement Distribution (EA) Limited (CDEAL), an unlisted company based in Tanzania and specialising in distributing cement and transportation. The Group acquired Cement Distribution (EA) Limited to improve its distribution process.

The Group has elected to measure the non-controlling interest in the acquiree at fair value.

	Amount in Tzs'000	Amount in Tzs'000
The fair value of Cement Distributors (EA) Limited as at the date of acquisition was:		
Total identifiable net assets at fair value	4,400,521	
Cash consideration	4,588,000	
20% of prior to acquisition interest in CDEAL at fair value	880,104	
Non-controlling interest measured at fair value		5,468,104
		1,760,208
Total		<u>7,228,313</u>
Share capital	102,000	
Retained earnings	805,118	
Net asset		<u>907,118</u>
Goodwill arising on acquisition		<u>6,321,195</u>

The fair value of the non-controlling interest in Cement Distributors (EA) Limited has been estimated by computing the net present value of future cash flows of Cement Distributors (EA) Limited since it is not a listed Company and no market information is available for its share price.

From the date of acquisition, Cement Distributors (EA) Limited has contributed Tzs 165 billion of revenue and Tzs 3.5 billion to the net profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been Tzs 205 billion and the profit from continuing operations for the Group would have been Tzs 4.6 billion.

The goodwill of Tzs 6.3 billion comprises the fair value of expected benefits arising from acquisition.



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
6 REVENUE				
Cement revenue	146,631,396	187,925,167	118,478,137	118,478,137
Transport revenue	2,549,882	11,503,092	1,420,111	1,420,111
Total	149,181,278	199,428,259	119,898,248	119,898,248
7 COST OF SALES				
Included in cost of sales are:				
Raw materials	26,890,326	26,890,326	11,927,622	11,927,622
Distribution costs	12,375,626	23,734,861	8,745,923	8,745,923
Fuel expenses	17,412,683	17,412,683	15,406,176	15,406,176
Electricity expenses	9,322,403	9,322,403	7,474,184	7,474,184
Personnel expenses	6,931,190	6,931,190	6,394,511	6,394,511
Maintenance expenses	9,219,168	9,219,168	5,615,556	5,615,556
Other production expenses	8,056,096	8,056,096	8,566,802	8,566,802
Changes in inventory	(741,618)	(741,618)	(302,680)	(302,680)
Cost of cement purchases	-	28,456,928	-	-
Direct expenses	-	2,561,930	-	-
Total	89,465,874	131,843,967	63,828,094	63,828,094
8 ROYALTIES				
Limestone	78,784	78,784	74,405	74,405
Red soil	8,087	8,087	7,555	7,555
Pozzolana	15,649	15,649	11,186	11,186
Total	102,520	102,520	93,146	93,146
Royalties payable to the Ministry of Energy and Minerals during the year are recognised as expenses and are included in the cost of sales line item as part of direct costs of raw materials.				
9(a) OTHER INCOME				
Technical fees	116,370	116,370	305,422	305,422
Sundry income - sale of scrap metals	127,878	127,878	55,590	55,590
Gain on sale of property, plant and equipment	-	7,331	-	-
Total	244,248	251,579	361,012	361,012
9(b) OTHER EXPENSES				
Loss on sale of property, plant and equipment	25,628	-	206,083	206,083



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
10 SELLING EXPENSES				
Other marketing and sales expenses	554,867	554,867	76,767	76,767
Personnel expenses	1,003,352	1,003,352	752,431	752,431
Third party services	381,639	381,639	468,594	468,594
Total	<u>1,939,858</u>	<u>1,939,858</u>	<u>1,297,792</u>	<u>1,297,792</u>
11 ADMINISTRATION EXPENSES				
Personnel expenses	4,735,009	6,511,518	4,398,383	4,398,383
Third party service	1,145,466	4,925,405	1,358,806	1,358,806
Other administration expenses	1,114,937	1,386,176	1,570,521	1,570,521
Total	<u>6,995,412</u>	<u>12,823,099</u>	<u>7,327,710</u>	<u>7,327,710</u>
12 OPERATING PROFIT				
Operating profit from operations is after (charging)/crediting:				
Loss /(gain) on sale of property, plant and Equipment	25,628	(7,331)	206,083	206,083
Auditors' remuneration:				
Audit fees				
-external	117,299	165,122	67,318	67,318
Directors' remuneration				
- Director's fees	123,083	123,083	92,546	92,546
Holcim Group fee	576,676	576,676	2,092,051	2,092,051
Staff costs:				
- Service costs	9,106,753	10,353,818	8,500,886	8,500,886
- Defined contribution plan	1,069,208	1,123,106	1,250,089	1,250,089
Rentals-Operating Lease payments	290,016	621,064	175,061	175,061
Depreciation and amortisation	5,489,312	5,741,060	2,450,783	2,450,783
13 FINANCE COSTS				
Interest on bank overdraft/loan	806,180	880,586	-	-
Total	<u>806,180</u>	<u>880,586</u>	<u>-</u>	<u>-</u>
14 FINANCE REVENUE				
Finance income	<u>78,445</u>	<u>78,445</u>	<u>58,101</u>	<u>58,101</u>



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
15 FOREIGN EXCHANGE LOSSES				
Foreign exchange losses	<u>1,450,858</u>	<u>1,227,762</u>	<u>1,763,217</u>	<u>(1,763,217)</u>
16 SHARE OF PROFIT OF ASSOCIATES				
Dividends received				
- Cement Distributors (EA) Limited	<u>777,000</u>	<u>777,000</u>	<u>540,000</u>	<u>540,000</u>
	777,000	777,000	540,000	540,000
Share of profits of the period				
- Cement Distributors (EA) Limited	20,709	20,709	(114,818)	(114,818)
- East African Rail Hauliers Limited	-	-	(34,284)	(34,284)
	<u>20,709</u>	<u>20,709</u>	<u>(149,102)</u>	<u>(149,102)</u>
Total	<u>797,709</u>	<u>797,709</u>	<u>390,898</u>	<u>390,898</u>
17 INCOME TAX				
Consolidated statement of comprehensive income				
Current income tax	10,749,634	12,074,712	6,407,210	6,407,210
Deferred tax charge	1,752,216	1,410,328	7,007,127	7,007,127
	<u>12,501,850</u>	<u>13,485,040</u>	<u>13,414,337</u>	<u>13,414,337</u>
Deferred taxation				
Due to accelerated capital allowances				
At 1 January	12,223,006	12,223,006	5,215,879	5,215,879
Charge for the year	<u>1,752,216</u>	<u>1,752,216</u>	<u>7,007,127</u>	<u>7,007,127</u>
At 31 December	<u>13,975,222</u>	<u>13,975,222</u>	<u>12,223,006</u>	<u>12,223,006</u>
Due to creation of revaluation reserves				
At 1 January	1,070,420	1,070,420	1,125,008	1,125,008
Transfer to revaluation reserves	<u>(106,602)</u>	<u>(106,602)</u>	<u>(54,588)</u>	<u>(54,588)</u>
At 31 December	<u>963,818</u>	<u>963,818</u>	<u>1,070,420</u>	<u>1,070,420</u>
Total deferred taxation	<u>14,939,040</u>	<u>14,939,040</u>	<u>13,293,426</u>	<u>13,293,426</u>
Tax rate reconciliation				
	%	%	%	%
Standard rate of Tanzania normal taxation	30	30	30	30
The standard rate has been affected by:				
- Expenses not deductible for tax purposes	1.79	1.89	4.30	4.30
- Income taxed at reduced rate	(3.38)	(2.28)	(3.70)	(3.70)
	<u>28.41</u>	<u>29.61</u>	<u>30.60</u>	<u>30.60</u>



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
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18 EARNINGS PER SHARE

18(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. The calculation is based on:

Attributable profit to ordinary shareholders - Tzs	31,495,537	32,526,122	30,420,243	30,420,243
	Number	Number	Number	Number
Weighted average number of ordinary shares	63,671,045	63,671,045	63,671,045	63,671,045

18(b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the Group (after deducting interest on the convertible non-cumulative redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. This calculation is based on:

Attributable profit to ordinary shareholders - Tzs	31,495,537	32,526,122	30,420,243	30,420,243
	Number	Number	Number	Number
Weighted average number of ordinary shares	63,671,045	63,671,045	63,671,045	63,671,045



Notes to the consolidated financial statements

for the year ended 31 December 2010

19 PROPERTY, PLANT AND EQUIPMENT

19(a) PROPERTY, PLANT AND EQUIPMENT - COMPANY

	Leasehold land and Buildings Tzs'000	Plant and Machinery Tzs'000	Motor Vehicles Tzs'000	Furniture Fittings & Equipment Tzs'000	Capital Work in Progress Tzs'000	Total Tzs'000
At 1 January 2010	11,542,431	84,413,219	1,345,332	116,602	3,525,165	100,942,749
Additions	7,392,197	3,152,935	278,288	18,651	6,731,480	17,573,551
Transfers	52,277	2,016,739	-	-	(2,069,016)	-
Disposals	-	-	(129,470)	-	-	(129,470)
At 31 December 2010	18,986,905	89,582,893	1,494,150	135,253	8,187,629	118,386,830
Cost	18,177,917	79,927,539	1,323,255	85,166	8,187,629	107,701,506
Revaluation - 1996	808,988	9,655,354	170,895	50,087	-	10,685,324
Total	18,986,905	89,582,893	1,494,150	135,253	8,187,629	118,386,830
Depreciation						
At 1 January 2010	1,487,599	14,547,919	535,207	52,888	-	16,623,613
Charge for the year	459,559	4,780,507	226,245	23,001	-	5,489,312
Disposals/ value adjustment	-	-	(81,730)	-	-	(81,730)
At 31 December 2010	1,947,158	19,328,426	679,722	75,889	-	22,031,195
Net book value						
At 31 December 2010	17,039,747	70,254,467	814,428	59,364	8,187,629	96,355,635
At 1 January 2009	3,821,429	46,005,063	1,387,065	847,433	23,070,068	75,131,058
Additions	179,480	23,017,355	215,217	273,329	4,799,447	28,484,828
Transfers	7,610,425	16,733,926	-	-	(24,344,351)	-
Disposals	(68,902)	(1,343,125)	(256,950)	(1,004,160)	-	(2,673,137)
At 31 December 2009	11,542,432	84,413,219	1,345,332	116,602	3,525,164	100,942,749
Cost	10,733,444	74,757,865	1,174,437	66,515	3,525,164	90,257,425
Revaluation - 1996	808,988	9,655,354	170,895	50,087	-	10,685,324
Total	11,542,432	84,413,219	1,345,332	116,602	3,525,164	100,942,749
Depreciation						
At 1 January 2009	1,529,567	13,593,551	448,298	782,815	-	16,354,231
Charge for the year	138,338	2,618,378	190,512	16,593	-	2,963,821
Disposals/ value adjustment	(65,294)	(1,226,148)	(103,603)	(746,520)	-	(2,141,565)
Write-up	(115,012)	(437,862)	-	-	-	(552,874)
At 31 December 2009	1,487,599	14,547,919	535,207	52,888	-	16,623,613
Net book value						
At 31 December 2009	10,054,833	69,865,300	810,125	63,714	3,525,164	84,319,136



Notes to the consolidated financial statements

for the year ended 31 December 2010

19 PROPERTY, PLANT AND EQUIPMENT

19(b) PROPERTY, PLANT AND EQUIPMENT - GROUP

	Leasehold land and Buildings Tzs'000	Plant and Machinery Tzs'000	Motor Vehicles Tzs'000	Furniture Fittings & Equipment Tzs'000	Capital Work in Progress Tzs'000	Total Tzs'000
At 1 January 2010	11,542,431	84,413,219	1,345,332	116,602	3,525,165	100,942,749
Additions	7,796,277	3,184,080	376,053	39,385	6,731,480	18,127,275
Transfers	52,277	2,016,739	-	-	(2,069,016)	-
Disposals	-	-	(129,470)	-	-	(129,470)
Net assets acquired during the year	1,330,795	87,582	91,124	194,435	-	1,703,936
At 31 December 2010	20,721,780	89,701,620	1,683,039	350,422	8,187,629	120,644,490
Cost	19,912,792	80,046,266	1,512,144	300,335	8,187,629	109,959,166
Revaluation - 1996	808,988	9,655,354	170,895	50,087	-	10,685,324
Total	20,721,780	89,701,620	1,683,039	350,422	8,187,629	120,644,490
Depreciation						
At 1 January 2010	1,487,599	14,547,919	535,207	52,888	-	16,623,613
Charge for the year	532,938	4,829,523	328,584	50,015	-	5,741,060
Disposals/ value adjustment	-	-	(68,187)	-	-	(68,187)
At 31 December 2010	2,020,537	19,377,442	795,604	102,903	-	22,296,486
Net book value						
At 31 December 2010	18,701,243	70,324,178	887,435	247,519	8,187,629	98,348,004
At 1 January 2009	3,821,429	46,005,063	1,387,065	847,433	23,070,068	75,131,058
Additions	179,480	23,017,355	215,217	273,329	4,799,447	28,484,828
Transfers	7,610,425	16,733,926	-	-	(24,344,351)	-
Disposals	(68,902)	(1,343,125)	(256,950)	(1,004,160)	-	(2,673,137)
At 31 December 2009	11,542,431	84,413,219	1,345,332	116,602	3,525,165	100,942,749
Cost	10,733,443	74,757,865	1,174,437	66,515	3,525,165	90,257,425
Revaluation - 1996	808,988	9,655,354	170,895	50,087	-	10,685,324
Total	11,542,431	84,413,219	1,345,332	116,602	3,525,165	100,942,749
Depreciation						
At 1 January 2009	1,529,567	13,593,551	448,298	782,815	-	16,354,231
Charge for the year	138,338	2,618,378	190,512	16,593	-	2,963,821
Disposals/ value adjustment	(65,294)	(1,226,148)	(103,603)	(746,520)	-	(2,141,565)
Write-up	(115,012)	(437,862)	-	-	-	(552,874)
At 31 December 2009	1,487,599	14,547,919	535,207	52,888	-	16,623,613
Net book value						
At 31 December 2009	10,054,832	69,865,300	810,125	63,714	3,525,165	84,319,136



Notes to the consolidated financial statements

for the year ended 31 December 2010

Information relating to property, plant and equipment:

- i) The property, plant and equipment are used as security for facilities provided by NBC Limited, Standard Chartered Bank Limited and Stanbic Bank Tanzania Limited, refer note 33.
- ii) The property, plant and equipment were revalued by an independent sworn appraiser in 1996 to reflect their market value at the acquisition date by the new owners and the excess over cost credited to non-distributable reserves. The revaluation was conducted in line with the Government of Tanzania disposal of its shares in the company to the new owners.
- iii) In December 2007 an independent valuation was carried out by a sworn appraiser for the purpose of establishing the market value of the Group's property, plant and equipment. The net current replacement cost of the plant and equipment amounted to US\$ 200 million. No adjustment was made in the accounting records to reflect the current market value of the Group's property, plant and equipment.
- iv) Included in Plant and Machinery at 31 December 2010 is Tzs 7.5 billion relating to the capitalized clinker silo (2009: cement mill Tzs 44 billion). The amount of borrowing cost capitalized during the year ended 31 December 2010 was Tzs Nil (2009: Tzs 586 million). The rate used to determine the amount of borrowing cost eligible for capitalization was Nil (2009: 14%), which was the effective interest rate of the specific borrowing.
- v) The write-up is a reversal of depreciation previously charged as a result of assessing the useful lives of fully depreciated assets.

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
20 INTANGIBLE ASSETS				
20(a) Computer software				
At 1 January	39,836	39,836	39,836	39,836
Amortised during the period	(39,836)	(39,836)	(39,836)	(39,836)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

This amount consist of initial installation of the software. Management decided to capitalise with useful life to be six years. However, no useful life has been assessed after being full amortised as the Group had being annually paid licence and royalty fee to the system provider for using the system.

20(b) Goodwill

At 1 January	-	-	-	-
Acquisition of Subsidiary Company	-	6,321,195	-	-
Impairment	-	-	-	-
At 31 December	<u>-</u>	<u>6,321,195</u>	<u>-</u>	<u>-</u>

Goodwill has been acquired through business combinations after acquisition of Cement Distributors (EA) Limited. The Group performed its annual impairment test as at 31 December 2010. The recoverable amount of the investment in Cement Distributors (EA) Limited has been determined based on a value in use calculation using cash flow projections from financial budgets covering a five-year period. The projected cash flows have been updated to reflect the projected demand for products and services. As a result of this analysis, management deduced that there was no indication of impairment.



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
21 EMPLOYEES' SHARE TRUST				
Opening balance	379,482	379,482	(15,210)	(15,210)
Loan repayment	(169,347)	(169,347)	-	-
	210,135	210,135	(15,210)	(15,210)
Additional shares purchased	107,241	107,241	394,692	394,692
Total	317,376	317,376	379,482	379,482

An amount advanced to Tanga Cement Employees' Share Trust, established under a registered trust Deed to purchase 2,983,552 shares of the total shares issued (63,671,045 shares) of Tanga Cement Company Limited (TCCL) for the benefit of TCCL employees.

The loan from TCCL to the Trust is repaid in instalments in amounts, and at times that the trustees decide, in accordance with the TCCL Employees Share Trust Rules.

22 INVESTMENT IN ASSOCIATES				
Unlisted shares at cost - CDEAL	20,400	-	20,400	20,400
Share of post acquisition reserves	140,314	-	140,314	140,314
Additional acquisition of shares	4,588,000	-	-	-
Share of post acquisition reserves	20,709	-	-	-
Gain in fair value of pre-acquisition shares	698,681	-	-	-
Transfer to the investment in Group	(5,468,104)	-	-	-
	-	-	160,714	160,714
Unlisted shares at cost - EARHL	134,561	134,561	134,561	134,561
Share of post acquisition reserves	(3,390)	(3,390)	(3,390)	(3,390)
Impairment of associate	(131,171)	(131,171)	-	-
	-	-	131,171	131,171
Total	-	-	291,885	291,885

- 22(a)** At 1 January 2010 The Group owned 20% of Cement Distributors (EA) Limited's (CDEAL). As at 1 April 2010, the Group acquired an additional 40% share of CDEAL which was transferred to investment in Group (as above). CDEAL's principal activity is the distribution of cement produced by Tanga Cement Company Limited. CDEAL is a private entity that is not listed on any public exchange and there are no published price quotations for the fair value of this investment. The reporting date and the reporting year of CDEAL are the same as those of the Group and both use uniform accounting policies.

A summary of financial information of Cement Distributors (EA) Limited is as follows:

	As at 31 March 2010		Audited figure As at 31 December	
Share capital	102,000	-	102,000	102,000
Accumulated profit	805,118	-	707,378	1,315,253
Non-current liabilities	18,539	-	-	-
Non-current assets	1,340,632	-	1,688,872	1,340,632
Net current assets/ (liabilities)	404,296	-	(879,494)	(879,494)
Profit after tax	797,740	-	2,431,714	2,431,714

(i) Adjustments have been made for unrealised profits arising from transactions between the Group and the associate company as at 31 March 2010.

(ii) The above figures are determined from the unaudited financial statements for the year ended 31 March 2010.



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
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- 22(b)** Tanga Cement Company Limited owns 20% of the issued ordinary share capital of East African Rail Hauliers Limited (EARHL). The principle activity of EARHL is the rail transportation of cement manufactured by Tanga Cement Company Limited in Tanzania. EARHL is a private entity that is not listed on any public exchange and there are no published price quotations for the fair value of this investment. The reporting date and reporting year of the EARHL are the same as those of the Group and both use uniform accounting policies.

EARHL has been operating for the past four years during which the Company has made losses. As at 31 December 2010, the Board decided to impair the full amount of the investment in EARHL. A summary of financial information regarding EARHL is as follows:

The Group's proportionate share of retained earnings is as follows:

	As at 31 December		As at 31 December	
Sales	664,275	664,275	995,151	995,151
Operating loss	(80,915)	(80,915)	(21,575)	(21,575)
Borrowing costs	(11,775)	(11,775)	(12,708)	(12,708)
Loss before taxation	(69,140)	(69,140)	(34,283)	(34,283)
Taxation	-	-	-	-
Loss for year	(69,140)	(69,140)	(34,283)	(34,283)
Brought to account by the Group as dividend income	-	-	-	-
Share of earnings retained by associates	(69,140)	(69,140)	-	-
Net assets acquired during year	154	154	14,810	14,810
Minorities Share	-	-	-	-
Carrying value at beginning of year	131,171	131,171	154,487	154,487
Investment in associate written off	(131,171)	(131,171)	(3,843)	(3,843)
Carrying Value at end of Year	(68,986)	(68,986)	131,171	131,171
Share capital	134,561	134,561	134,561	134,561
Accumulated loss	(154,702)	(154,702)	(133,611)	(133,611)
Non-current liabilities	253,057	253,057	29,009	29,009
Non-current assets	72,417	72,417	849,425	849,425
Net current assets / (liabilities)	(68,387)	(68,387)	(18,768)	(18,768)

(i) The above figures are determined from the latest unaudited financial statements for the year ended 31 December 2010.

23 INVENTORIES

Raw materials (at cost)	2,063,037	2,063,037	2,006,422	2,006,422
Semi-finished and finished products (at cost)	7,594,155	11,053,664	1,869,970	1,869,970
Fuels (at cost)	2,829,992	2,829,992	2,996,992	2,996,992
Parts and consumables (at cost)	12,755,259	12,755,259	10,303,582	10,303,582
Goods in transit	-	2,260,121	-	-
Total	25,242,443	30,962,073	17,176,966	17,176,966

The value of inventories recognised as income is Tzs 290 million (2009: Tzs 268 million). This write-back is included in the cost of sales line item as income and is disclosed in note 7. It represents damaged inventory items which were previously fully provided and for which restitution has since been received from the supplier.



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
24 TRADE AND OTHER RECEIVABLES				
Trade accounts receivable	5,498,609	3,541,683	2,040,328	2,040,328
Prepaid expenses	1,452,109	4,440,320	752,752	752,752
Other receivables	170,338	170,338	1,064,755	1,064,755
Provision for impairment of receivables	-	-	(49,136)	(49,136)
Total	7,121,056	8,152,341	3,808,699	3,808,699

Trade receivables are non-interest bearing and are generally on 30 days payment terms.

Days sales outstanding for 2010 were 7 days (2009: 4 days).

No Trade receivables were impaired or fully provided for (2009:Tzs 49 million).

Movement on the provision for impairment of trade and other receivables:

At 1 January	49,136	49,136	49,136	49,136
Charge for the year	-	-	-	-
Recoveries	(49,136)	(49,136)	-	-
At 31 December	-	-	49,136	49,136

As at 31 December, the ageing analysis of trade receivables was as follows:

Up to 30 days	5,481,607	5,466,835	2,036,289	2,036,289
61 days	17,002	17,002	1,718	1,718
91 days	-	-	2,321	2,322
At 31 December	5,498,609	5,483,837	2,040,328	2,040,329

25 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	8,182,860	9,566,666	10,169,853	10,169,853
Total	8,182,860	9,566,666	10,169,853	10,169,853

The carrying amounts disclosed above reasonably represent the fair value at the reporting date.

The cash and cash equivalent position for cash flow purposes is as follows:

Cash and cash equivalents as above	8,182,860	9,566,666	10,169,853	10,169,853
Bank overdraft	-	(868,676)	-	-
	8,182,860	8,697,990	10,169,853	10,169,853

26 ISSUED CAPITAL AND RESERVE

(a) Authorised

63,671,045 Ordinary shares of Tzs 20 each	1,273,421	1,273,421	1,273,421	1,273,421
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Issued and fully paid

63,671,045 Ordinary shares of Tzs 20 each	1,273,421	1,273,421	1,273,421	1,273,421
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Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
The proportion of shareholding is as follows:	%	%	%	%
AfriSam (Mauritius) Investment Holdings Limited	62.5	62.5	62.5	62.5
Tanga Cement Employee Share Trust	1.07	1.07	1.06	1.06
Tanzania General Public	36.43	36.43	36.44	36.44
	100	100	100	100

(b) Revaluation Surplus

The property, plant and equipment of the Company were revalued to reflect their market value at the date of acquisition by new owners in 1996. Any excess of the value of the net assets acquired over their cost at the date of acquisition is described as revaluation surplus.

27 PROVISION FOR QUARRY SITE RESTORATION

At 1 January	57,445	57,445	53,444	53,444
Additional provision during the year	4,001	4,001	4,001	4,001
At 31 December	61,446	61,446	57,445	57,445

Provision for quarry site restoration is based on the estimated net present value of cash outflows that will be required to restore the environment. The provision is assessed on an annual basis and any increase/(decrease) is recognised in the consolidated statement of comprehensive income.

During 2010, the Directors engaged experts to review the adequacy of the provision and it was confirmed to the Directors that the current provision is adequate as the Group is performing concurrent rehabilitation.

28 TRADE AND OTHER PAYABLES

Trade accounts payable	7,568,150	15,636,338	3,266,824	3,266,824
Freight clearing	1,069,195	1,069,195	107,672	107,672
Other payables	3,618,956	4,573,654	7,252,379	7,252,379
Total	12,256,301	21,279,187	10,626,875	10,626,875

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled between 15 to 45 days after date of invoice.
- Other payables are non-interest bearing and have an average term of 30 days.
- For terms and conditions relating to related parties, refer to Note 34.



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
29 INCOME TAX PAYABLE				
At 1 January	286,356	462,664	527,290	527,290
Payment made during the year	(10,797,241)	(12,187,060)	(6,648,144)	(6,648,144)
Current year provision (note 17)	10,749,634	12,057,435	6,407,210	6,407,210
At 31 December	<u>238,749</u>	<u>333,039</u>	<u>286,356</u>	<u>286,356</u>

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of profit before tax to cash flow from operating activities

Profit from operations	45,509,442	47,374,527	45,148,798	45,148,798
Adjusted for non-cash movement:				
Depreciation and amortisation	5,489,312	5,741,060	2,450,783	2,450,783
Loss/(gain) on sale of property, plant & equipment	25,628	(7,331)	206,083	206,083
Site restoration provision	4,001	4,001	4,001	4,001
Foreign exchange losses	(1,450,858)	(1,227,762)	(1,763,217)	(1,763,217)
Other non-cash items	-	(295,899)	252,891	252,891
Operating profit before working capital changes	49,577,525	51,588,596	46,299,339	46,299,339
(Increase)/decrease in inventory	(8,065,477)	(13,785,107)	3,961,987	3,961,987
(Increase)/decrease in trade and other receivables	(3,312,357)	(4,343,642)	792,153	792,153
Increase/(decrease) in trade and other payables	1,629,426	10,652,312	(3,795,989)	(3,795,989)
Cash generated from operating activities	39,829,117	44,112,159	47,257,490	47,257,490

31 DIVIDEND PAID AND PROPOSED

Dividend paid during the year

Dividends on ordinary shares:

Final dividend 2009: Tzs 179 per share	11,397,117	-	-	-
Interim dividend 2010: Tzs 80 per share (2009: Tzs Nil per share)	5,093,684	-	-	-
Group dividend	-	17,570,801	-	-
Total	16,490,801	17,570,801	-	-

The dividend paid is subject to appropriate withholding tax which is payable to the Tanzania Revenue Authority.

Proposed for approval at the Annual General Shareholders Meeting, not recognised as a liability as at 31 December 2010:

Equity dividends on ordinary shares:

Final dividend for 2010 Tzs 167 per share (2009: Tzs 179 per share)	<u>10,633,065</u>	<u>10,633,065</u>	<u>11,397,117</u>	<u>11,397,117</u>
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Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
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32 OPERATING LEASE

During the year the Group entered into operating lease agreements for a number of properties, under which the minimum lease payments are as follows:

Commitments expiring in:

- Within one year	111,881	385,773	84,032	84,032
- After one year and not more than five years	122,052	122,052	84,032	84,032

During the year, the Group charged Tzs 289 million (2009: Tzs 162 million) as expenses in the statement of comprehensive income in respect of these leases.

33 INTEREST-BEARING LOANS AND BORROWINGS

The details of external borrowing facilities of Tanga Cement Company Limited as at the end of year are as set out below:

Name of Holder	Facility	Repayment/ Settlements terms	
33(a) Standard Chartered Bank Tanzania limited	Company	Group	
Overdraft (Tzs'000)	10,000,000	11,000,000	On demand
Term loan	10,000,000	10,000,000	Two years
Term loan			
Disbursement	10,000,000	10,000,000	
Repayment during the year	(2,500,000)	(2,500,000)	
Net balance	<u>7,500,000</u>	<u>7,500,000</u>	
Term loan maturity analysis			
Maturity within 12 months	5,000,000	5,000,000	
Maturity more than 12 months	2,500,000	2,500,000	

Security Held

- Debenture charge over fixed & floating assets shared with National Bank of Commerce (NBC) Limited and Stanbic Bank Tanzania Limited on a pari passu basis;
- Legal Mortgage over Title No. 1802 registered in name of Tanga Cement Factory, Maweni for Tzs 20 billion shared pari passu with NBC and Stanbic Bank Tanzania Limited; and
- The overdraft bears a rate of interest of one year Treasury Bills plus 220 basis points per annum (2009: 220 days Treasury Bills plus 250 basis points) charged monthly on the daily outstanding amount.



Notes to the consolidated financial statements

for the year ended 31 December 2010

33(b) National Bank of Commerce Limited (NBC)

Bank overdraft	-	868,676	
Overdraft facility (Tzs '000)	<u>15,000,000</u>	<u>15,000,000</u>	On demand

Security held by the banks

- (i) Debenture charge over fixed & floating assets shared with Standard Chartered Bank Tanzania Limited and Stanbic Bank Tanzania Limited on a pari passu basis;
- (ii) Legal Mortgage over Title No. 1802 registered in name of Tanga Cement Factory, Maweni for Tzs 13 billion shared pari passu with Standard Chartered Bank Tanzania Limited and Stanbic Bank Tanzania Limited; and
- (iii) The overdraft bears a rate of interest of 12% per annum (2009: 12% per annum) charged every month on the daily outstanding amount. It's agreed that the Bank is entitled to vary the rate of interest provided that due notice shall be given to Tanga Cement Company Limited.

33(c) Stanbic Bank Tanzania Limited

Overdraft (Tzs '000)	4,000,000	4,000,000	On demand
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Security held by the banks

- (i) Debenture charge over fixed & floating assets shared with National Bank of Commerce (NBC) Limited and Standard Chartered Bank Tanzania Limited on a pari passu basis;
- (ii) Legal Mortgage over Title No. 1802 registered in name of Tanga Cement Factory, Maweni for Tzs 5.2 billion shared pari passu with NBC and Standard Chartered Bank Tanzania Limited; and
- (iii) The overdraft bears a rate of interest of 364 days Treasury Bills plus 200 basis points per annum with a minimum floor of 14% (2009: 365 days Treasury Bills plus 200 basis points) charged every month on the daily outstanding amount.

34 RELATED PARTY TRANSACTIONS

- 34(a)** The Company sold at arm's length a major portion of its production through Cement Distributors (EA) Limited (CDEAL), a subsidiary company and charged CDEAL technical fees at an agreed rate of Tzs 400 per ton up to 31 March 2011.

Transactions with the associate in the current year at arms length were as follows:

	Company	Group	Company	Group
	2010	2010	2009	2009
	Tzs'000	Tzs'000	Tzs'000	Tzs'000
Sales	145,809,886	-	116,425,671	116,425,671
Transportation service rendered by CDEAL	11,635,903	-	4,959,342	4,883,794
Technical fees received from CDEAL	79,549	-	305,422	305,422

- 34(b)** The Group utilises the railway facilities of Trans Africa Railway Corporation Tanzania Limited, through its associate East African Rail Hauliers Limited for the transportation of cement to up-country markets at agreed rates.

East African Rail Hauliers Limited is a Company in which Tanga Cement Company Limited owns 20% of the issued share capital. The Company commenced operations in December 2004. Its business is to provide rail services to Tanga Cement Company Limited for the transportation of cement in Tanzania according to a commercial contract signed between the two parties.

There were no transactions between East African Rail Hauliers Limited and Tanga Cement Company Limited during the year 2010 (2009: Nil)



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
34(c) There were no transactions between AfriSam (Mauritius) Investment Holdings Limited and Tanga Cement Company Limited during the year 2010 (2009: Nil)				
34(d) Compensation of Key Management Personnel				
Short-term employee benefits	1,249,303	1,432,419	1,183,772	1,183,772
Long-term employee benefits	181,903	198,056	175,924	175,924
	1,431,206	1,630,475	1,359,696	1,359,696

34(e) The Company pays fees to Holcim Group Support Limited as follows:
The group fee is calculated at 1.75% of turnover as per formula stipulated in the contract. This amounted to Tzs 577 million and Tzs 1,924 million for the years 2010 and 2009 respectively.

34(f) Balances outstanding at the end of the year to and from related companies are as follows:
The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. At 31 December 2010 the Group had not recorded any impairment of receivables relating to amounts owed by related parties (2009: Tzs Nil). This assessment is undertaken at the end of each financial year through examining the financial position of the related party and the market in which the related party operates.

Due from related Company

Cement Distributors (EA) Limited	4,899,596	-	1,873,238	1,873,238
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Due to related Companies

Holcim Group Support Limited	576,676	576,676	440,451	440,451
Cement Distributors (EA) Limited	2,242,638	-	38,491	38,491
AfriSam South Africa (Pty) Limited	143,301	143,301	82,717	82,717
	2,962,615	719,977	561,659	561,659

35 CAPITAL COMMITMENTS

As at the reporting date, the Group had the following capital commitments:

Approved and contracted for	3,272,227	3,272,227	19,017,249	19,017,249
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Funds to meet these expenditures will be provided from the Group's own resources and overdraft facilities.

36 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 9% and 25%. The Group includes within net debt interest bearing borrowings, trade and other payables less cash and cash equivalents, excluding discontinued operations. Capital includes issued and fully paid share capital, retained earnings and other reserves.



Notes to the consolidated financial statements

for the year ended 31 December 2010

	Company 2010 Tzs'000	Group 2010 Tzs'000	Company 2009 Tzs'000	Group 2009 Tzs'000
Interest-bearing loans and borrowings (Note 33)	7,500,000	8,368,676	-	-
Trade and other payables (Note 28)	12,256,301	21,279,187	10,626,875	10,626,875
Less: Cash and cash equivalent (Note 25)	(8,182,860)	(9,566,666)	(10,169,853)	(10,169,853)
Net debt	11,573,441	20,081,197	457,022	457,022
Capital	107,691,938	108,686,267	91,881,918	91,881,918
Capital and net debt	119,265,379	128,767,464	92,338,940	92,338,940
Gearing ratio	11%	18%	0.5%	0.5%

37 INVESTMENT IN MIVUMONI BIOFARM LIMITED

	% Share Holding	Non -controlling interest
Mivumoni Biofarm Limited	51%	49%

Mivumoni Biofarm Limited was incorporated on 22 February 2007 and has been dormant since its incorporation. The Non-controlling interest shares are held by Larry Electrical Works Limited.

This subsidiary is dormant, insignificant and does not materially affect consolidated financial statements of the Tanga Cement Company Limited for the years 2010 and 2009. The Directors have decided not to include in the consolidated financial statements due to its materiality.

The consolidated financial statements, if prepared, will not be materially different from the consolidated financial statements of Tanga Cement Company Limited.

38 FAIR VALUE ADJUSTMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements;

	Carrying amount		Fair value	
Financial assets				
Trade and other receivables	8,152,341	3,808,699	8,152,341	3,808,699
Cash and short-term deposits	9,566,666	10,169,853	9,566,666	10,169,853
Financial liabilities				
Interest - bearing loans and borrowings	7,500,000	-	7,500,000	-
Bank overdraft	868,676	-	868,676	-
Trade and other payables	21,279,187	10,626,875	21,279,187	10,626,875

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, are comprised of bank overdrafts and trade payables. The Group does not enter into derivative transactions for trading purposes. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash and cash equivalents which arise directly from its operations.



Notes to the consolidated financial statements

for the year ended 31 December 2010

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. Policies are reviewed and agreed upon at a group and company level in order to manage these risks as summarised below:

Credit risk

The Group deals only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, debtors' balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the credit committee. With respect to credit risk arising from the other financial assets of the Group which comprise cash and cash equivalents, the Group exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset mentioned in Note 24. The Group does not hold collateral as security.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates related primarily to the Group's long term debt obligations with floating interest rates. To manage this, the Group entered into interest rate swap arrangement, in which the Group agreed to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. At 31 December 2010, after taking into account the effect of interest rate swaps, approximately 100% of the Group's long term borrowings are at a fixed rate of interest.

Liquidity risk

The Group monitors its liquidity risk by using cash flow projections. The Group's objective is to maintain a balance between continuity of funding through the use of bank borrowings. The table summarises the maturity profile of the Group's financial liabilities at 31 December 2010, based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	More than 12 months	Total
	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000
Balance as at 31 December 2010					
Interest-bearing loans and borrowings	-	-	5,000,000	2,500,000	7,500,000
Bank overdraft	868,676	-	-	-	-
Trade and other payables	2,250,371	18,518,967	509,849	-	19,028,816
	3,119,047	18,518,967	5,509,849	2,500,000	26,528,816
Balances as at 31 December 2009					
Trade and other payables	-	10,626,875	-	-	10,626,875
	-	10,626,875	-	-	10,626,875

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, when expenses are denominated in a different currency from the Group's functional currency.

Foreign currency risk is managed at an operational level and monitored by the Chief Financial Officer. Exposure to losses from foreign liabilities is managed through prompt payment of outstanding liabilities and the forward purchase of foreign currencies.



Notes to the consolidated financial statements

for the year ended 31 December 2010

The following table demonstrates the sensitivity to possible changes in the exchange rate between the Tanzanian Shilling (Tzs) and foreign currencies (mainly US dollar), with all other variables held constant, of the Group's equity (due to changes in the fair value of monetary assets and liabilities).

	2010		2009	
	Increase/decrease in the value of Tzs vs. other currencies	"Effect on profit before tax and equity Tzs'000"	Increase/decrease in the value of Tzs vs. other currencies	"Effect on profit before tax and equity Tzs'000"
Net effect based on statement of financial position - Company	5%	27,999	10%	144,000
Net effect based on statement of financial position - Group	10%	55,997	10%	144,000

The sensitivity to foreign currency risk has been analysed and simulated based on 5% and 10% to determine its effect on Company and Group statement financial position.

40 CONTINGENT LIABILITIES

There are several court cases instituted against the Company by ex-employees whose services ceased as part of a specific redundancy exercise. These ex-employees are claiming various termination benefits aggregating to over Tzs 434 million (2009: Tzs 377 million).

As at 31 December 2010, the Company was a defendant in several lawsuits. The plaintiffs are claiming damages and interest thereon for the loss caused by the Company due to breaches of contract and unlawful termination of employment. The Company has filed counter-claims against the plaintiffs. The total principal amount claimed in the various lawsuits approximates to Tzs 177 million (2009: Tzs 138 million). In the opinion of the Directors and the Company's legal counsel, no material liabilities are expected to crystallise from these lawsuits.

41 EVENTS AFTER REPORTING DATE

No material events have occurred which are either to be disclosed or to be adjusted in the consolidated financial statements.

42 HOLDING COMPANY

The immediate holding company of the Group is AfriSam (Mauritius) Investment Holdings Limited.

43 INCORPORATION

Tanga Cement Company Limited is incorporated in Tanzania under the Companies Act of 2002.

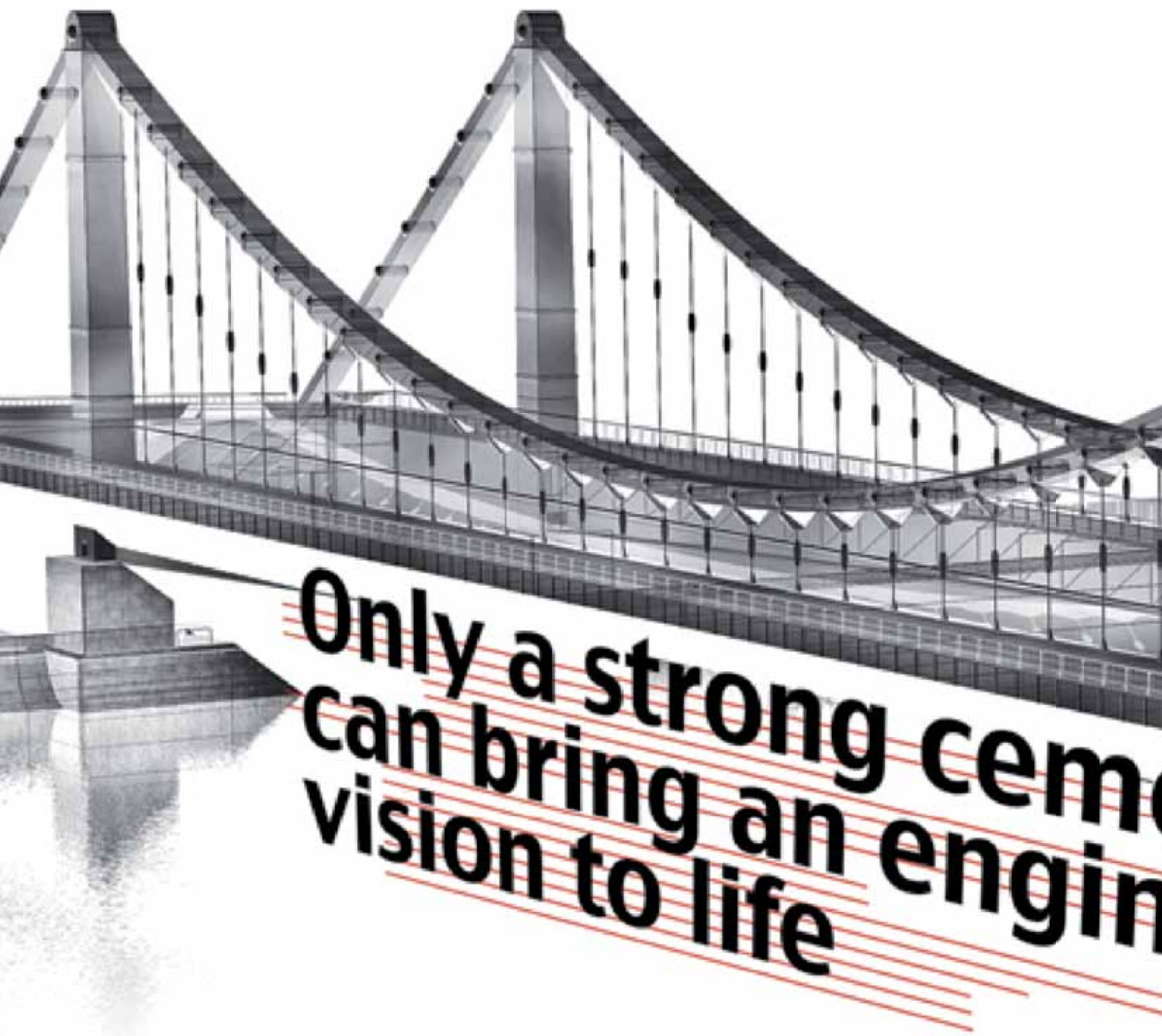
44 CURRENCY

The consolidated financial statements are presented in thousands of Tanzanian Shillings (Tzs '000).





Tanga Cement Company was awarded first prize by the NBAA for the Best Presented Financial Statements 2009 in the manufacturing and distribution category. Receipt of this award for the second consecutive year is a reflection of our dedication to quality in everything from production to reporting.



**Only a strong cement
can bring an engineer's
vision to life**

Every engineer and contractor knows that Simba's composition is less porous than any other cement. Making Simba the strongest cement in Tanzania. A strong nation is built on Simba.

Quality product from Tanga Cement Company Limited



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eer's



SIMBA
CEMENT
Inayojenga Tanzania

Notice to Members

TANGA CEMENT COMPANY LIMITED (Incorporated in the United Republic of Tanzania)

Notice is hereby given that the seventeenth Annual General Meeting of the shareholders of Tanga Cement Company Limited will be held at the Kilimanjaro Kempinski Hotel in Dar es Salaam, on Friday 27 May 2011 at 14:00 hours, for the following purposes:

1. Notice of Meeting

Notice convening the meeting be taken as read.

2. Approval of Minutes

To approve and sign the minutes of the sixteenth Annual General Meeting held on 14 May 2010.

3. Financial Statements and Directors' Reports

To receive and adopt the Financial Statements and Directors' report for the year ended 31 December 2010.

4. Dividend for the year ended 31 December 2010

To approve the declaration of the dividend for the year ended 31 December 2010.

5. Appointment of Directors

To appoint new Directors to the Board.

6. Appointment of Statutory Auditors

To approve the appointment of the Statutory Auditors for the year ending 31 December 2011.

7. General

Any other business.

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on their behalf. If a member is an organisation then the proxy must submit proxy forms and Board resolution to appoint the proxy. These are to reach the registered office of the Company not less than 48 hours before the time of the meeting. Members or proxies are required to bring with them depository receipt and identification card for registration purpose.

By order of the Board.



Company Secretary

21 April 2011



Taarifa Kwa Wanachama

TANGA CEMENT COMPANY LIMITED (Imeshirikishwa katika Jamhuri ya Muungano wa Tanzania)

Taarifa inatolewa kwa wanahisa kwamba Mkutano Mkuu wa Mwaka wa kumi na saba wa wanahisa wa Kampuni ya Tanga Cement utafanyika Hoteli ya Kilimanjaro Kempinski Ijumaa tarehe 27 Mei 2011 kuanzia saa 8 mchana kwa madhumuni yafuatayo:

1. Taarifa ya Mkutano

Taarifa ya kuitisha mkutano ichukuliwe kama inavyosomeka.

2. Kupitisha Kumbukumbu

Kupitisha na kusaini kumbukumbu za Mkutano Mkuu wa Mwaka wa kumi na sita uliofanyika tarehe 14 Mei 2010.

3. Taarifa za Fedha na Ripoti za Wakurugenzi

Kupokea na kupitisha Taarifa za Fedha na ripoti za Wakurugenzi kwa mwaka ulioishia tarehe 31 Desemba 2010.

4. Gawio kwa Mwaka Ulioishia tarehe 31 Desemba 2010

Kuidhinisha taarifa maalumu ya gawio kwa mwaka ulioishia tarehe 31 Desemba 2010.

5. Uchaguzi wa Wakurugenzi

Kuchagua Wakurugenzi wapya wa Bodi.

6. Uchaguzi wa Wakaguzi wa Hesabu Wanaokubalika Kisheria.

Kuidhinisha uchaguzi wa wakaguzi wa hesabu wanaokubalika kisheria kwa mwaka unaoishia tarehe 31 Desemba 2011.

7. Majumuisho

Mengineyo.

Mwanachama yeyote anayestahili kuhudhuria na kupiga kura kwenye mkutano ana haki yakuchagua mwakilishi au wawakilishi kuhudhuria na kupiga kura kwa niaba yake. Kama mwanachama ni shirika basi mwakilishi anatakiwa kuwakilisha fomu za uwakilishi pamoja na maamuzi ya Bodi ya kumteua mwakilishi huyo. Fomu hizo zifike katika ofisi za usajili za Kampuni si chini ya masaa 48 kabla ya mkutano kuanza. Wanachama au wawakilishi wanatakiwa kuja na risiti ya amana na kitambulisho kwa ajili ya usajili.

Kwa agizo la Bodi.



Katibu wa Kampuni

21 Aprili 2011





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