



TCCIA Investment Public Limited Company

AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2019

Commentary

The Directors are pleased to present the audited financial results for the year ended 31st December 2019. Total income increased by 25% from TZS 1,435 million in 2018 to TZS 1,788 million in 2019. This is attributed to an increase in interest income from investments in government securities. The Company invested TZS 5,429 million in government securities during 2019. Operating expenses decreased by 6% from TZS 1,125 million in 2018 to TZS 1,062 million in 2019. The Company recorded a profit after tax amounting to TZS 410 million in 2019, representing a 3% decrease from TZS 422 million of 2018.

Dividend to shareholders

The Directors recommend payment of a final dividend of TZS 6 per share (2018: TZS 2.54 per share). Dividends are not recognised as a liability until they have been ratified at the Annual General Meeting.

Statement of Profit or Loss and other Comprehensive Income

| | 2019 TZS '000 | 2018 TZS '000 |
|---|--------------------|--------------------|
| Income | 1,787,692 | 1,435,266 |
| Other operating gains (losses) | (88,410) | (58,459) |
| Other operating expenses | (1,061,732) | (1,125,208) |
| Operating profit | 637,550 | 251,599 |
| Finance costs | (16,638) | - |
| Profit before taxation | 620,912 | 251,599 |
| Taxation | (211,198) | 170,792 |
| Profit for the year | 409,714 | 422,391 |
| Other comprehensive income: | | |
| Items that will not be recycled to profit or loss: | | |
| Fair value loss on equity instruments | (1,688,114) | (2,030,139) |
| Other comprehensive income for the year | (1,688,114) | (2,030,139) |
| Total comprehensive loss for the year | (1,278,400) | (1,607,748) |
| Basic earnings per share | 5.62 | 5.78 |

Statement of Financial Position as at 31 December 2019

| | 2019 TZS' 000 | 2018 TZS' 000 |
|-------------------------------------|-------------------|-------------------|
| Assets | | |
| Non-Current Assets | | |
| Property, plant and equipment | 21,456 | 31,803 |
| Investment property | 239,820 | 239,820 |
| Equity investments | 19,364,888 | 22,988,002 |
| Government securities | 9,677,922 | 4,249,239 |
| Deferred tax | 1,605 | 170,792 |
| Corporate bonds | 30,336 | 58,706 |
| Other investments | 5,500 | 5,500 |
| | 29,341,527 | 27,743,862 |
| Current Assets | | |
| Trade and other receivables | 406,964 | 130,891 |
| Current tax receivable | 340,051 | 331,318 |
| Cash and cash equivalents | 224,314 | 650,849 |
| | 971,329 | 1,113,058 |
| Total Assets | 30,312,856 | 28,856,920 |
| Equity and Liabilities | | |
| Equity | | |
| Share capital | 2,167,952 | 2,167,952 |
| Total Reserves | 9,020,625 | (2,659,801) |
| Retained Income | 15,907,804 | 28,866,632 |
| | 27,096,381 | 28,374,783 |
| Non-Current Liabilities | | |
| Borrowings | 2,789,285 | - |
| Current Liabilities | | |
| Trade and other payables | 44,289 | 20,364 |
| Borrowings-CL | 210,715 | - |
| Dividend | 172,186 | 461,773 |
| | 427,190 | 482,137 |
| Total Liabilities | 3,216,475 | 482,137 |
| Total Equity and Liabilities | 30,312,856 | 28,856,920 |

Statement of Cash Flows

| | 2019 TZS '000 | 2018 TZS '000 |
|---|--------------------|------------------|
| Cash flow from operating activities | | |
| Profit before tax | 620,912 | 251,599 |
| Adjustment for: | | |
| Depreciation of property, plant and equipment | 6,429 | 6,312 |
| Loss on disposal of asset | 6,290 | |
| Loss on disposal of equity investments | 82,120 | 58,459 |
| Changes in working capital | (252,151) | 564,185 |
| Tax paid | (50,743) | (70,535) |
| Net cash (used in) from operating activities | 412,857 | 810,020 |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | 1,588 | (7,249) |
| Sale of property, plant and equipment | (3,960) | |
| Purchase of right of use asset | | |
| Proceeds on disposal of equity investments | 1,852,880 | 1,417,393 |
| Purchase of government securities | (5,428,683) | (4,249,239) |
| Movement in fixed deposits | | 2,272,580 |
| Redemption of corporate bonds | 28,370 | 28,369 |
| Net cash (used in) from investing activities | (3,549,805) | (538,146) |
| Cash flow from financing activities | | |
| Payment of dividends | (289,587) | (19,652) |
| Proceeds from borrowings | 3,000,000 | |
| IPO Cost | | (629,662) |
| Proceeds from shares | | 746,104 |
| Repayment of lease liabilities | | |
| Net cash (used in) from financing activities | 2,710,413 | 96,790 |
| Cash and cash equivalents: | | |
| Net increase/ (decrease) in cash | (426,535) | 368,664 |
| Cash at the beginning of the year | 650,849 | 282,185 |
| Cash at the end of the year | 224,314 | 650,849 |

Statement of Changes in equity

| | Share capital TZS '000 | Share premium TZS '000 | Total share capital TZS '000 | Reserve for valuation of equity investments TZS '000 | Initial Public Offer Cost (IPO) TZS '000 | Retained earnings TZS '000 | Total equity TZS '000 |
|---------------------------------------|---------------------------|---------------------------|---------------------------------|---|---|-------------------------------|--------------------------|
| Previous year | | | | | | | |
| Balance as at 1 January 2018 | 1,459,153 | 708,799 | 2,167,952 | 2,726,439 | (629,662) | 28,629,939 | 32,894,666 |
| Profit for the year | | | | | | 422,391 | 422,391 |
| Other comprehensive income | | | | (4,756,578) | | | (4,756,578) |
| Transfer between reserve | | | | | | | |
| Dividends | | | | | | (185,698) | (185,698) |
| Balance as at 31 December 2018 | 1,459,153 | 708,799 | 2,167,952 | (2,030,139) | (629,662) | 28,866,632 | 28,374,781 |
| Current period | | | | | | | |
| Balance as at 1 January 2019 | 1,459,153 | 708,799 | 2,167,952 | (2,030,139) | (629,662) | 28,866,632 | 28,374,781 |
| Profit for the year | | | | | | 409,714 | 409,714 |
| Other comprehensive income | | | | 11,515,426 | | | 11,515,426 |
| Transfer between reserve | | | | 165,000 | | (13,368,540) | (13,203,540) |
| Balance as at 31 December 2019 | 1,459,153 | 708,799 | 2,167,952 | 9,650,287 | (629,662) | 15,907,806 | 27,096,381 |

We, the undersigned, attest to the faithful representation of the above statements. We declare that the Statements have been examined by us and, to the best of our knowledge and belief, having been prepared in conformance with International Financial Reporting Standards, they present a true and fair view.

| Name | Signature | Date |
|---|-----------|-----------|
| Mr. Fortunatus M. Magambo Chairman | Signed | 25/6/2020 |
| Prof. Lucian A. Msambichaka Director | Signed | 25/6/2020 |