TCCIA INVESTMENT PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30TH JUNE, 2019

	Notes	H1 2019 TZS'000	H1 2018 TZS'000
Revenue	5	**847,581**	653,967
Operating expenses	6	**(465,961)**	(562,434)
Operating profit		**381,620**	91,533
Profit before taxation		**381,620**	91,533
Taxation	7	**-**	-
Profit for the period		**381,620**	91,533
Other Comprehensive Income			
Change in fair value of investments in equity		**(1,261,149)**	2,038,800
Gain/(Loss) on sale of investments in equity		**(43,950)**	(54,000)
Total Comprehensive Income for the period		**(1,305,099)**	1,984,800
Basic Earnings Per Share		**5.23**	1.25
Number of Employees		**5**	5

TCCIA INVESTMENT PLC

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE,2019

		30.6.2019	30.6.2018
		TZS'000	TZS'000
ASSETS	**Notes**		
NON CURRENT ASSETS			
Furniture and Equipment	10	**31,330**	31,994
Investments			
Investments in Equity	8	**19,807,903**	26,992,794
Other Investments	9	**6,555,627**	2,810,060
Deferred Tax		**170,792**	-
Total Non-current Assets		**26,565,652**	29,834,848
CURRENT ASSETS			
Cash and Cash Equivalent		**418,238**	2,376,793
Debtors and Prepayments		**244,010**	20,021
Current Tax Receivable	11	**366,053**	284,468
Total Current Assets		**1,028,301**	2,681,282
TOTAL ASSETS		**27,593,953**	32,516,130
EQUITY& LIABILITIES			
Equity			
Share Capital		**1,459,153**	1,459,153
Share Premium		**708,799**	708,799
Retained Earnings		**25,325,142**	28,698,589
Other Reserves	12	**(178,187)**	1,355,138
Total Equity		**27,314,907**	32,221,679
LIABILITIES			
Creditors and Accruals		**3,963**	7,707
Dividend Payable	13	**275,083**	286,744
Total Liabilities		**279,046**	294,451
TOTAL EQUITY & LIABILITIES		**27,593,953**	32,516,130

The financial statements from page 1 to 16 were approved and authorized for issue by the Board on 25/7/2019 and signed on its behalf by:

_______Signed__________________	_______Signed_______________
Mr.Peter W. Kifunguomali	**Mr. Joseph M. Kahungwa**
Director	**Director**

STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30TH JUNE 2019

	Share Capital	Share Premium	Retained Earnings	Other Reserves	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Balance as at 1stJan, 2019	**1,459,153**	**708,799**	**24,943,522**	**1,149,032**	**28,260,506**
Profit/(loss) for the period			381,620	-	381,620
Change in Fair value of Equity			-	(1,261,149)	(1,261,149)
Gain/(Loss) on sale of Equity			-	(43,950)	(43,950)
Equity Transaction Costs			-	(22,120)	(22,120)
Balance as at 30th June, 2019			**25,325,142**	**(178,187)**	**27,314,907**
Balance as at 1st January, 2018	**1,421,848**		**28,629,940**		**30,051,788**
Profit/(loss) for the period			68,649		68,649
Change in Fair value of Equity			-	2,038,800	2,038,800
Gain/(Loss) on sale of Equity			-	(54,000)	(54,000)
Issue of shares	37,305	708,799		-	746,104
IPO Costs				(629,662)	(629,662)
Balance as at 30th June, 2018	**1,459,153**	**708,799**	**28,698,589.0**	**1,355,138**	**32,221,679**

STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30TH JUNE 2019

	Note	**H1 2019**	H1 2018
		TZS '000	TZS '000
Cash Flows from Operating Activities			
Cash generated from operations	14	**141,420**	758,249
Tax receivable		**(34,734)**	(23,684)
Net Cash from(used by) Operating Activities		**106,686**	734,565
Cash Flows from Investing Activities			
Disposal of Investments in equity		**1,852,880**	1,486,000
Redemption of bonds		**14,185**	14,185
Purchase of plant,property and equipment	8	**(2,000)**	(5,450)
Purchase of other Investments		**(2,017,673)**	(2,491,849)
Net Cash from(used by) Investing Activities		**(152,608)**	(997,114)
Cash Flows from Financing Activities			
Issue of shares		**-**	746,104
Incremental IPO costs		**-**	(629,662)
Dividends Paid		**(186,689)**	(8,983)
Net Cash from(used by) Financing Activities		**(186,689)**	107,459
Net Increase in Cash and Cash Equivalent		**(232,611)**	(155,090)
Cash and Cash Equivalents at 1st January		**650,849**	2,531,883
Cash and Cash Equivalents at 30th June		**418,238**	2,376,793

TCCIA INVESTMENT PLC

NOTES TO THE FINANCIAL STATEMENTS

1.0 GENERAL INFORMATION

TCCIA Investment PLC is a limited liability company incorporated and domiciled in the United Republic of Tanzania under the Companies Act 2002 as a limited liability company. It was established by the Tanzania Chamber of Commerce, Industry and Agriculture in November 1999. The principal activities of the Company are disclosed in the Directors Report. The address of its registered office is:

Plot No 39 A,

Bagamoyo Road,

Victoria Area,

Copycat Building,

2nd Floor,

Dar es Salaam, Tanzania.

2.0 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) ***Basis of preparation***

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzanian Shillings (TZS). The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires the Directors to exercise their judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed later.

(b) ***Property and equipment***

All property and equipment are stated at cost, less accumulated depreciation and impairment losses. Such cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured.

Depreciation is calculated using the reducing balance basis over the estimated useful life of each unit of property, plant and equipment. The annual depreciation rates for this purpose are as follows:

- Computers 37.5%
- Printers 12.5%
- Furniture& Fittings 12.5%
- Office Equipment 12.5%

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are recognized in the income statement during the financial period as incurred. An item of the property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets are determined by comparing the proceeds from disposal with the carrying amount of the assets and recognized within income statement. The assets residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end.

(c) ***Impairment of assets***

Impairment reviews are performed by comparing the carrying value of the non-current asset to its recoverable amount, being the higher of the fair value less costs to sell and value in use.

The fair value less costs to sell is considered to be the amount that could be obtained on disposal of the asset. The value in use of the asset is determined by discounting, at a market based pre-tax discount rate, the expected future cash flows resulting from its continued use, including those arising from its final disposal. When the carrying values of non-current assets are written down by any impairment amount, the loss is recognized in the income statement in the period in which it is incurred.

Where the asset does not generate cash flows that are independent from the cash flows of other assets the Company or company estimates the recoverable amount of the cash generating unit (CGU) to which the assets belongs. For the purpose of conducting impairment reviews, CGUs are considered to be groups of assets and liabilities that have separately identifiable cash flows. They also include those assets and liabilities directly involved in producing the income and a suitable proportion of those used to produce more than one income stream.

When an impairment is recognized, the impairment loss is held firstly against any specifically impaired assets of the CGU, then taken against goodwill balances and if there is a remaining loss it is set against the remaining intangible and tangible assets on a pro-rata basis.

Should circumstances or events change and give rise to a reversal of a previous impairment loss, the reversal is recognised in the income statement in the period in which it occurs and the carrying value of the asset is increased. The increase in the carrying value of the asset is restricted to the amount that it would have been had the original impairment not occurred. Impairment losses in respect of goodwill are irreversible. Intangible non-current assets with an indefinite life and goodwill are tested annually for impairment. Assets subject to amortization are reviewed for impairment if circumstances or events change to indicate that the carrying value may not be fully recoverable.

Accounts receivable are recognized at fair value and subsequently measured at amortized cost. Provision for impairment of accounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. This provision is recognized in the income statement. Bad debts are written off when all reasonable steps to recover them have been taken without success. During the reporting period there were no bad debt written off.

(d) ***Cash and cash equivalent***

For the purpose of cash flow statement, cash and cash equivalent include cash in hand and bank deposits payable on demand, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(e) ***Share capital***

Ordinary shares are classified as 'share capital' in equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds as per IAS 32.

(f) ***Trade payables***

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(g) ***Provisions***

Provisions are recognized when the company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognized in the income statement as interest expense.

(h) ***Income tax***

Income tax expense comprises current and deferred income tax. Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that the Directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(i) ***Employee benefits***

Defined contribution plan

Three Company's employees are members to Pension Funds; two make contributions to the National Social Security Fund (NSSF), while the other one contributes to the Public Service Pensions Fund (PSPF). All these funds are publicly administered pension plans, on a mandatory basis. The company's obligation in respect of the contributions to such fund is 10% of employees' gross emoluments. Contribution to the fund is recognized as an expense in the period in which employees render the related services.

Termination benefits

Termination benefits are recognized as an expense in the year when it becomes payable and are determined in accordance with the Tanzanian Labor Law.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit –sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(j) ***Dividends distribution***

Dividend distribution to the shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved.

(k) ***Revenue recognition***

Dividend income is recognized when the right to receive payment is established while Interest income is recognized on a time-proportion basis using the effective interest method.

(l) ***Financial instruments***

i) Financial Assets

Initial Recognition and Measurement

The company classifies its financial assets (i.e. investment in shares) as available for sale financial assets (AFS) which are recognized in the balance sheet at fair value. Fair value changes on AFS assets are recognized directly in equity, through the statement of changes in equity, except for interest on AFS assets (which is recognized in income on an effective yield basis), impairment losses and (for interest-bearing AFS debt instruments) foreign exchange gains or losses. All financial assets are recognized initially at the fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sale the asset.

Subsequent measurement

Cash and short term deposits, loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quotes in an active market. After initial measurements, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized 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.

De-recognition

A financial asset or where applicable a part of financial assets derecognized when: -

- The rights to receive cash flows from the asset have expired.
- The company has transferred its right to receive cash flows from the assets 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.

Impairment of financial assets

The company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset 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 flow of the financial asset that can be readily estimated. Evidence of impairment may include indication that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(m) ***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 Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

After initial recognition, trade and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of comprehensive income.

De-recognition

A financial liability is derecognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, realize the assets and settle the liabilities simultaneously.

3.0 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstance and assumptions about future developments may, however, change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur. The Company also makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) ***Property and equipment***

Critical estimates are made by the Directors in determining depreciation rates for property and equipment and their residual values. The estimated useful lives and residual values of items of property and equipment are reviewed annually and are in line with the rate at which they are depreciated.

(ii) ***Income tax***

Significant judgment is required in determining the Company's income tax provision or estimated future recovery of income tax losses. There are many transactions and calculations, for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax issues, based on estimates of whether additional taxes will be due. Where the final outcome of tax matters is different from the amounts that were initially recorded, such differences will have an impact on the current and any deferred income tax provisions in the periods in which the determination is made.

Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in provision due to passage of time is recognized in the income statement as interest expense. As at the end of the reporting period, no provisions were made as the Company had no present obligations.

4.0 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks and mostly credit risk and liquidity risk. The company's Directors are responsible for the establishment and monitoring compliance with risk management policies and procedures for reviewing adequacy of the Company's risk management framework. The Directors are assisted in these functions by the management. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and services offered.

Credit risk

Credit risks arise from failure of a customer or counterparty to a financial instrument, to meet its contractual obligations that arise principally from the Company's accounts receivable. The Company has no significant concentrations of credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flows. All liquidity policies and procedures are subject to review and approval by the Company's Board of Directors.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

5.0 REVENUE	**H1 2019**	H1 2018
	TZS'000	TZS'000
Dividend	**535,098**	537,751
Interest	**312,483**	116,216
TOTAL	**847,581**	653,967

6.0 OPERATING EXPENSES		
	TZS'000	TZS'000
Personnel costs	**212,701**	178,425
Admin costs	**226,405**	375,891
Business development	**26,855**	8,118
TOTAL	**465,961**	562,434

7.0 TAXATION

No provision has been made for tax charge for the current period as operating expenses exceed total chargeable income (See note 5 and 6). Only interest income constitutes chargeable income contrast to dividend income.

8.0 INVESTMENTS IN EQUITY	**H1 2019** **TZS'000**	H1 2018 TZS'000
Balance as at 1st January	**22,988,002**	26,493,994
Disposals	**(1,875,000)**	(1,486,000)
Appreciation/(Depreciation) of Equity	**(1,261,149)**	2,038,800
Gain/(Loss) on disposal in current period	**(43,950)**	(54,000)
Balance as at 30th June	**19,807,903**	26,992,794

9. OTHER INVESTMENTS		
	TZS'000	TZS'000
Balance as at 1st January	**4,552,139**	332,396
Additions/(Disposals)	**2,017,673**	2,491,849
Redemption of PTA Bond	**(14,185)**	(14,185)
	-	
Balance as at 30th June	**6,555,627**	2,810,060

10. PLANT,PROPERTY AND EQUIPMENT

Cost/Valuation	Furniture & Fittings TZS'000	Printers TZS'000	Office Equipment TZS'000	Computers TZS'000	Total TZS'000
Balance as at 1/1/2019	20,650	3,315	22,421	17,965	64,351
Additions	-	-	-	2,000	2,000
Balance as at 30/6/2019	20,650	3,315	22,421	19,965	66,351
Depreciation					
Accumulated Depreciation as at 1/1/2019	8,029	1,885	8,540	14,095	32,549
Depreciation charge for the period	789	89	868	726	2,472
Accumulated Depreciation as at 30/6/2019	8,818	1,974	9,408	14,821	35,021
Net book value at 30/6/2019	11,832	1,341	13,013	5,144	31,330
Net book value at 30/6/2018	13,443	1,480	12,979	4,092	31,994

11.CURRENT TAX RECEIVABLE	**TZS'000**	TZS'000
Opening balance	(272,397)	(237,901)
Withholding tax paid	(87,655)	(40,567)
Provisional tax paid	(6,000)	(6,000)
Closing balance	**(366,052)**	**(284,468)**

12.OTHER RESERVES	**TZS'000**	TZS'000
IPO Costs	(629,662)	(629,662)
Equity fair value reserve	(564,849)	2,038,800
Gain or Loss on sale of Equity	1,057,053	(54,000)
Share transaction Costs	(40,729)	-
Total	**(178,187)**	**1,355,138**

13 .DIVIDEND PAYABLE	**TZS'000**	TZS'000
Outstanding dividend	90,460	101,818
Proposed dividend	184,623	184,927
Total	**275,083**	**286,745**

14.CASHFLOWS FROM OPERATIONS

	H1 2019 TZS'000	H1 2018 TZS'000
Profit/(Loss) before taxation	**381,620**	91,532
Depreciation	**2,471**	4,320
Adjusted operating profit	**384,091**	95,852
Changes in working capital items:		
(Increase)/Decrease Debtors and Prepayments	**(226,269)**	686,459
Increase/(Decrease in Creditors and Accruals)	**(16,402)**	(24,062)
Cash from(used by) operations	**141,420**	**758,249**