

# 2021

## ANNUAL REPORT

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“BUILDING THE FUTURE”



TANZANIA PORTLAND CEMENT  
PUBLIC LIMITED COMPANY





“In 2021, we delivered our highest performance on record. This allows us to continue to “Build the Future” as we lead the Cement industry in producing quality cement products, innovating sustainable cement production solutions and supporting communities.”

Dar Es Salaam City, Tanzania  
Tanzanite Bridge

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Next section:

# Information & Performance Highlights





Dar Es Salaam City, Tanzania  
SGR Station at Posta



## Company Information/ *Taarifa Muhimu za Kampuni*

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

**MAHALI OFISI ILIPOSAJILIWA NA ENEO LA  
SHUGHULI ZA KAMPUNI**

**Tanzania Portland Cement Public Limited  
Company**  
Tegeta, Wazo Hill  
P.O. Box 1950  
Dar es Salaam, Tanzania

### GROUP COMPANY NAME JINA LA KAMPUNI MAMA

**Heidelberg Cement AG**  
Berliner Straße 6  
69120 Heidelberg P.O. Box 268  
Germany

### COMPANY SECRETARY KATIBU WA KAMPUNI

**Mr Brian Kangetta**  
Ngara Area, Parklands  
P.O. Box 76491 - 00508  
Nairobi, Kenya

### LEGAL ADVISORS MAWAKILI

**Law Associates Advocates**  
CRDB Building, Wing B  
Azikiwe Street  
P.O. Box 11133  
Dar es Salaam, Tanzania

### BANKERS BENKI

**Citibank (T) Limited**  
Plot 1962, Toure Drive, Oysterbay  
P.O. Box 71625  
Dar es Salaam, Tanzania

**FB Attorneys**  
Amani Place,  
Ohio Street  
P.O. Box 19813  
Dar es Salaam, Tanzania

**CRDB Bank PLC**  
PPF Tower  
P.O. Box 268  
Dar es Salaam, Tanzania

### AUDITORS WAKAGUZI WA HESABU ZA KAMPUNI

**PricewaterhouseCoopers**  
Pemba House  
369 Toure Drive  
Oyster Bay  
P.O. Box 45  
Dar es Salaam, Tanzania

**Ecobank Tanzania**  
84, Acacia Building, Kinondoni Road,  
P.O. Box 20500  
Dar es Salaam, Tanzania

**NMB Bank PLC**  
Tegeta Branch-Kibo Commercial Complex,  
P.O. Box 9213,  
Dar es Salaam, Tanzania



## The Shareholders

Tanzania Portland Cement Public Limited Company

### Letter of Transmittal

The Directors of the Company have the pleasure to submit to you the Annual Report for the Company for the year ended 31 December 2021 in accordance with section 166 of the Companies Act, 2002.

The report contains the Chairman's Statement, Managing Director's Report, the Annual Accounts together with The Report of Those Charged with Governance and Independent Auditors' Report on the Accounts.

The Directors recommend a final dividend of TZS 390 per share (2020: TZS 390). There was no interim dividend paid for the year ended 31 December 2021.



Hakan Gurdal

Chairman

Tanzania Portland Cement Public Limited Company

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## Kwa Wanahisa

Tanzania Portland Cement Public Limited Company

### Barua ya Kuwasilisha

Wakurugenzi wa Kampuni wanayo furaha kuwasilisha kwenu Taarifa ya Mwaka ya Kampuni kwa kipindi cha mwaka ulioishia Decemba 31, 2021, kwa mujibu wa ibara ya 166 ya Sheria ya Kampuni ya mwaka, 2002.

Taarifa hii inajumuisha, Maelezo Mafupi ya Mwenyekiti, Taarifa ya Mkurugenzi Mtendaji, Hesabu za mwaka, Taarifa ya Wale Wanaohusika na Uongozi na Ripoti ya Wakaguzi kuhusu hesabu hizo.

Bodi ya Wakurugenzi inapendekeza gawio la TZS 390 kwa kila hisa kwa mwaka 2021 (2020: TZS 390). Hakukuwepo na gawio la awali lililolipwa kwa mwaka 2021.



Hakan Gurdal

Mwenyekiti

Tanzania Portland Cement Public Limited Company



## 2021 KEY ACHIEVEMENTS

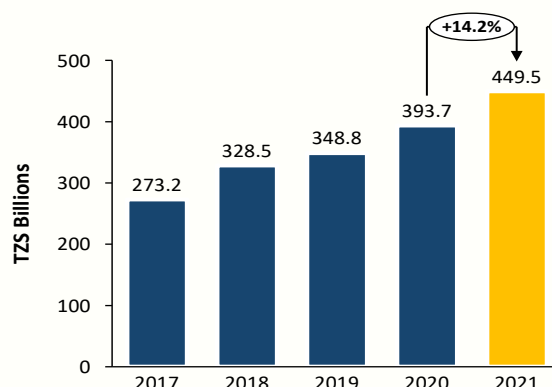
### Reaching a new performance record

#### Revenue Development

# +14.2%

Revenue has grown by 14.2% compared to year 2020.

CAGR\* Revenue growth of 13.3% since 2017

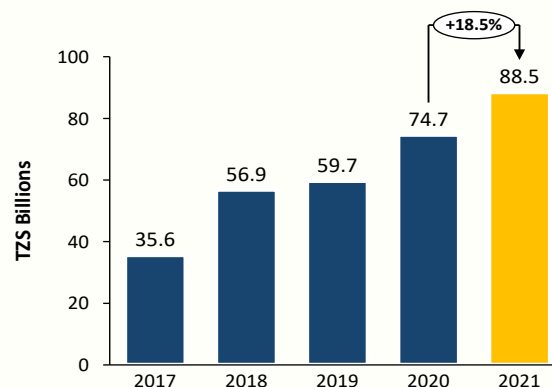


#### Profit for the year

# +18.5%

Profit has grown by 18.5% compared to year 2020.

CAGR\* Profit growth of 25.6% since 2017

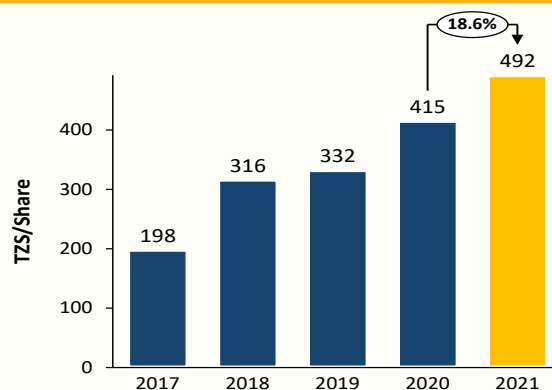


#### Earning per share

# TZS 492

Earning pper share has grown by 18.6% compared to 2020.

CAGR\* Earning per share growth of 25.6% since 2017

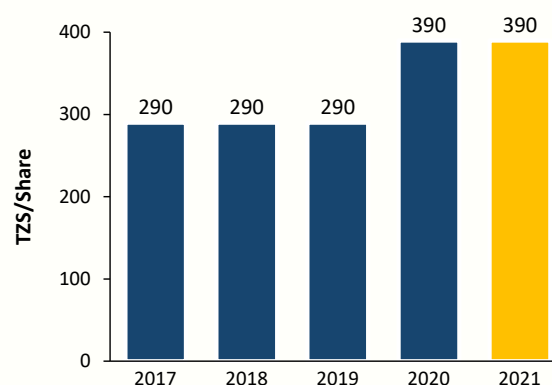


#### Dividends per share proposed

# TZS 390

Dividends per share payout proposed to be TZS 390, same as year 2020.

CAGR\* Dividends per share growth of 7.7% since 2017



\*CAGR - Compound Annual Growth Rate



## 2021 KEY HIGHLIGHTS

All figures are in Million TZS except Earning per share, Dividends per share, Ratios and Non-Financial figures.

Figures in "Million TZS"	2021	2020	2019	2018	2017
<b>Income Statement</b>					
Revenue	449,509	393,740	348,828	328,499	273,157
Operating profit	125,582	104,945	87,256	80,061	62,673
Profit for the financial year	88,482	74,676	59,703	56,866	35,596
Earnings per share (TZS/Share)	492	415	332	316	198
Dividend per share proposed/paid (TZS/Share)	390	390	290	290	290
<b>Investments &amp; Depreciation</b>					
Investments in Tangible Assets & PPE	27,820	12,346	10,884	9,806	5,326
Depreciation and amortisation	(18,666)	(17,297)	(18,258)	(17,806)	(18,066)
<b>Balance sheet</b>					
Non-current assets	148,636	140,772	151,280	149,766	169,924
Current assets	230,678	212,433	191,011	172,995	118,228
Equity	272,236	255,001	231,473	224,935	186,466
Non-current liabilities	19,545	21,842	28,291	29,240	32,088
Current liabilities	87,533	76,361	82,527	68,585	69,597
Balance Sheet Total	379,314	353,204	342,291	322,760	288,151
Net debt [(+) means geared] <sup>1</sup>	(30,667)	(35,091)	623	(4,829)	10,905
<b>Ratios</b>					
Operating Income (OI Margin)	28%	27%	25%	24%	23%
Net debt/shareholders' equity	0.0%	0.0%	0.3%	0.0%	5.8%
Net debt/OI	0.00x	0.00x	0.01x	0.00x	0.17x
<b>Non-Financial Figures:</b>					
Number of employees as at 31 December	260	257	283	285	286

<sup>1</sup>Refer to note 43(f)



Next section:

# Reports to Our Shareholders





Rock City Mwanza, Tanzania  
J.P. Magufuli Bridge (3.2 km)  
crossing Lake Victoria



## CHAIRMAN'S STATEMENT



*“Twiga Cement is determined to pursue sustainable production optimizations and safe environment for its employees and communities”*

Dear Shareholders,  
Dear Employees, Dear Friends of the Twiga Cement family,

In many ways, 2021 was an extraordinary year for all of us. As Chairman of the Board, I am honoured to deliver this statement on behalf of the Board of Directors and the Twiga Cement family. With great pleasure, I report to you that despite strong competition in the cement manufacturing industry, Twiga Cement delivered a strong operating result when compared to the previous year. Today's strong market position of Twiga Cement is the achievement of the entire Twiga Cement team, of which I am very proud. Therefore, for their extraordinary

commitment, my thanks go to all our employees. As in previous years, Twiga Cement has continued to leverage on the best practice experience from the HC Group, through its global improvement programs, called CIP and AEM Brainstorming. The implementation of CIP resulted in specific actions which further optimized costs and processes. Learning from the best practice exchange is one of our key differentiators and supports the education and development of our employees, while participation in the AEM Brainstorming initiative gives our employees the opportunity to share their ideas, leading to Twiga Cement winning the AEM Brainstorming Award for Innovation 2021. Congratulations.



## CHAIRMAN'S STATEMENT (Continued)

### Economic and Business Environment

The Tanzanian economy growth slowed down a bit, growing at about 4.1% in 2021 compared to 4.5% in 2020 (Source: TNBS).

The Tanzanian Shillings exchange rate has remained stable versus main foreign currencies in 2021, which has assisted to control inflationary impacts on energy and fuel costs.

The existing overcapacities and the consequent pressure on pricing have changed the market landscape and has tested the adaptability of Twiga Cement management structures, underscoring the efficiency of the cost fitness plans developed in the previous years.

### Financial Performance

Twiga Cement again achieved a record in sales volumes in 2021, despite the competitive environment. The main drivers were our high production efficiency, our committed employees, as well as the implementation of efficient sales strategies and our enhanced product portfolio.

Turnover and sales volume increased by 14% and 7% respectively, this increased revenue, combined with disciplined cost management led to an unprecedented operating profit increase of 20% when compared to the previous year. Twiga Cement recorded an Operating Profit of TZS 125.6 billion mainly due to better sales volumes, and efficient production processes leading to strong cost control.

### Prospects

We believe that Twiga Cement can continue to benefit from the company's strategic investments, the continued focus on customer service and the relentless pursuit of optimising production efficiency within a safe operating environment for its employees, even in this very competitive market under the anticipated catchup of growth in cement demand. We believe these factors continue to allow Twiga Cement to meet the objective of maintaining and extending its leadership position in the market, leaving Twiga Cement well positioned for sustainable and profitable growth in the future.

### Dividend

The Board remains focused on building shareholders' value and we are confident that by following our strategies, we will achieve this. The Board, therefore, proposed a dividend for 2021 of TZS 390 per share. This is planned to be paid in June 2022.

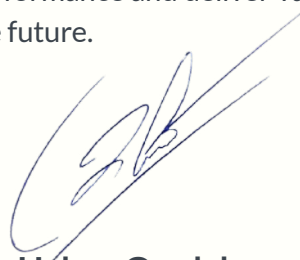
### Corporate Citizenship

Twiga Cement is fully committed to Corporate Social Responsibility as well as environmental sustainability and continues to take all essential measures to improve its performance with regard to health, safety and human rights of its employees, good governance and the protection of the environment.

Twiga Cement remains a major contributor to the Tanzanian economy and society through government taxes, technology improvements, new investments, compliance with international business standards, community development programs, fair employment and by leading the industry not only in performance but also and most importantly, in building the Nation.

### Appreciation

On behalf of the Board, I would like to thank all Twiga Cement's Stakeholders, partners, customers and employees who have placed great trust in our Company and our products during the past difficult year. Above all, I would like to express my gratitude to all the Shareholders for their cooperation and continued faith in the Company. We have every confidence that Twiga Cement will continue its strong performance and deliver value to the shareholders in the future.



**Mr. Hakan Gurdal**  
**Mwenyekiti wa Bodi**

## WARAKA WA MWENYEKITI



*“Twiga Cement imedhamiria kuendelea na uzalishaji endelevu na mazingira salama kwa wafanyakazi na jamii inayotuzunguka”*

**Ndugu Wanahisa,  
Ndugu Wafanyakazi, Marafiki wa familia ya  
Twiga,**

Katika nyanja mbalimbali, 2021 ulikuwa mwaka bora sana kwetu sote. Kama Mwenyekiti wa Bodi, kwa heshima na taadhima, ninapenda kutoa taarifa hii kwa niaba ya Bodi ya Wakurugenzi na familia ya Twiga. Inanipa furaha kubwa kutoa taarifa kwamba licha ya ushindani mkubwa katika soko la saruji, Twiga Cement ilitoa matokeo mazuri ya uendeshaji ikilinganishwa na mwaka 2020. Nafasi nzuri tuliyonayo leo katika soko la saruji ni mafanikio ya timu nzima ya Twiga Cement, ambayo ninajivunia sana. Shukrani zangu ziende kwa wafanyakazi wote kwa kujitolea kwao.

Kama ilivyokuwa katika miaka iliyopita, Kampuni imeendelea kufaidika na programu maalumu za kuboresha utendaji kazi (CIP na AEM Brainstorming). Utekelezaji wa programu hizi ulipelekea Kampuni kupunguza gharama na kuboresha taratibu mbalimbali za kazi. Matokeo yatoanayo na kubadilishana uzoefu ni moja kati ya nguzo inayotutofautisha na kusaidia katika kutoa mafunzo na kuendeleza ujuzi wa wafanyakazi wetu. Ushiriki kwenye program ya “AEM Brainstorming” kunawapa wafanyaka fursa ya kutoa mawazo na hii imepelekea Twiga Cement kushinda tuzo ya “AEM Brainstorming and Innovation” ya mwaka 2021. Hongereni sana.



## MAELEZO MAFUPI YA MWENYEKITI (Inaendelea)

### Mtazamo wa Uchumi na Biashara

Ukuaji wa uchumi wa Tanzania ulishuka kiasi kufikia takribani asilimia 4.1% mwaka 2021 ikilinganishwa na 4.5% mwaka 2020 (Chanzo: TNBS).

Thamani ya sarafu ya Tanzania imekuwa imara dhidi ya sarafu kuu za kigeni mwaka 2021, jambo ambalo limesaidia kudhibiti athari za mfumuko wa bei kwenye nishati na mafuta.

Uwezo wa ziada wa uzalishaji wa saruji na shinikizo la bei vimebadilisha mazingira ya soko na imechagiza mabadiliko kwenye muundo wa usimamizi wa Twiga Cement, ukiimiza ufanisi katika mipango ya kuthibiti gharama ambayo ilitengenezwa tangu miaka iliyopita.

### Utendaji wa Kifedha

Pamoja na ushindani katika soko, kampuni iliweza kufikia kiwango cha juu cha mauzo ya saruji katika mwaka 2021. Mafanikio haya yametokana na ufanisi katika uzalishaji, kujituma kwa wafanyakazi, utekelezaji wa mikakati bora ya mauzo na uboreshaji wa bidhaa zetu.

Mauzo na usambazaji wa saruji uliongezeka kwa asilimia 14% na 7% kwa mtiririko huo. Ongezeko la mapato pamoja na mbinu bora za kuthibiti gharama iliwezesha faida ya uendesaji kukua kwa asilimia 20 ikilinganishwa na mwaka uliopita. Faida ya uendesaji ya shilingi bilioni 125.6 za Kitanzania imetokana na ongezeko la mauzo na ufanisi katika uzalishaji uliopelekea uthibiti wa gharama.

### Matarajio

Katika soko lenye ushindani mkubwa, lakini ambalo mahitaji ya saruji ni makubwa, kama Kampuni tunaamini kuwa tutaendelea kufaidika na mikakati mahususi ya uwekezaji, huduma nzuri kwa wateja na ufanisi endelevu wa uzalishaji katika mazingira salama kwa wafanyakazi wake. Tunaamini nguzo hizi zitaruhusu Kampuni kuendelea kutimiza malengo ya kuendelea kushika uongozi katika soko la saruji, na hivyo kuiweka Kampuni katika hatua nzuri ya ukuaji endelevu na wenye faida kwa siku zijazo.

### Gawio

Bodi inaendelea kuhakikisha kuwa inaongeza thamani ya wanahisa na tunaamini kuwa kwa kufuata mikakati yetu, tutafanikisha hili. Bodi imependekeza gawio la Shilingi 390 kwa hisa kwa mwaka 2021. Gawio pendekezwa litalipwa mwezi Juni 2022.

### Uraia Mwema

Twiga Cement imejitolea kikamilifu katika utunzaji endelevu wa mazingira pamoja na masuala ya kijamii na inaendelea kuchukua hatua stahiki ili kuboresha utendaji wake kwenye masuala ya afya na usalama na haki za binadamu kwa wafanyakazi wake, utawala bora na ulinzi wa mazingira.

Twiga Cement ni kati ya wachangiaji wakubwa katika uchumi wa Tanzania na jamii kupitia ulipaji wa kodi kwa serikali, maboresho ya teknolojia, uwekezaji, kufuata viwango vya kimataifa vya biashara, mipango ya maendeleo kwa jamii, ajira kwa kuzingatia usawa na uongozi katika sekta ya saruji, sio tu katika utendaji, bali muhimu zaidi, kujenga Taifa letu.

### Shukrani

Kwa niaba ya Bodi, ningependa kuwashukuru wadau wote wa Kampuni, washirika, wateja na wafanyakazi ambao wameweka imani kubwa katika kampuni yetu na bidhaa zetu katika kipindi kigumu cha mwaka uliopita. Zaidi ya yote, ningependa kutoa shukrani zangu za dhati kwa wanahisa wote na kwa imani yao kwa Kampuni. Tuna imani kwamba Kampuni itaendelea na utendaji wake imara na kuongeza thamani kwa wanahisa.



**Mr. Hakan Gurdal**  
**Mwenyekiti wa Bodi**



**MANAGING DIRECTOR'S REPORT**

"At Twiga Cement zero fatality target is a must"



"We are committed to lead the cement industry in Tanzania in environmental sustainability policies and practices"

## MANAGING DIRECTOR'S REPORT (Continued)

“My sincere appreciation goes to all our customers, suppliers, employees and all other stakeholders for supporting us to achieve yet another highest performance record”

Year 2021 was a good year and Twiga Cement was able to improve once more compared to previous year results. Production and sales achieved new records, due to strong infrastructure projects demand. The Country growth contributed to fuel the local cement and construction industry, growing stronger than the previous year. The foreign exchange remained stable as well as prices, which did not increase in 2021, despite inflation. The product mix shifted towards better quality cements, with a positive impact on contribution margins. On the other hand, production cost per ton of cement has been contained despite some raw materials price increase. As a result, profitability margins continued to grow further thanks to our team commitment and dedication. Twiga Cement remains the market leader.

The Operating Profit increased by 20% compared with the previous year, the drivers were the sales volume increase due to investments, and operational excellency which led to the new clinker production record. This has allowed Twiga Cement to maintain its dividend at its highest level.

In 2021, Twiga Cement sold 126 kilo tons more than in the previous year. The clinker production also increased by 28 kilo tons compared to 2020, resulting in the best year ever in terms of clinker production.

Our strong customer base and our approach through customer centricity is a critical pillar of our strategy, which makes possible the achievement of our ambitious commercial targets in all Tanzanian territories, together with exports.

We are highly confident in our teams, products and services, to find together with our customers the best solutions in such a competitive environment to ensure continuous value creation for our stakeholders.

“We continue to create greater value to our shareholders”

**+126 kilo tons**

Cement sales volume<sup>2</sup>

**+28 kilo tons**

Clinker production<sup>2</sup>

**+20.2%**

Operating profit<sup>2</sup>

**+10%**

Sales capacity increase<sup>2</sup>

<sup>2</sup>Figures are in compairson to the previous year



## MANAGING DIRECTOR'S REPORT (Continued)

### Sales

In 2021 Twiga Cement reached a new sales record, the cement market continued to grow above 10%, beyond GDP (5.7%) and above previous year. The domestic market reached around 6.5 million tons, excluding exports. Ongoing large infrastructure projects are heavily contributing to the growth of the building activity in Tanzania in 2021. Twiga is deeply involved in all these projects. The sales capacity of Twiga Cement increased in 2021 over 10%, to secure the capitalization of the market growth and to ensure cement availability in the market. The trend remains

strong and Twiga was able to sell around 7% above previous year.

The cement industry in Tanzania includes six integrated plants and several grinding facilities with production capacity reaching around 11 million tons by the end of 2021, as a result the utilization capacities in general are low, but Twiga Cement is at higher level of utilization, and this is the reason we decided to invest in additional cement capacity. Twiga sales team is working closely to our distributors to position our products in every market segment and targeting every Region within Tanzania. The



overcapacity in the Tanzanian cement industry represents around 4 million tons, there are also new players in the market as well, this scenario will bring tough competition in the months to come. Despite this difficult market environment, Twiga Cement is determined to remain the market leader by delivering top quality products and keeping customer satisfaction in the focus of all our efforts and actions. Exports towards our neighbouring countries will remain critical to optimize the capacity utilization that nowadays the Tanzanian cement industry is facing.

### Operations

In 2021 Twiga Cement hit again a new record for production of clinker and cement. All critical operational parameters for the year show a positive trend in term of quality and plant performance overall, confirming once more the need to focus on efficiency improvement and the reduction of production costs to remain competitive. Kilns and mills operating coefficients have improved, also the fuel efficiency. The expert system implementation and better power monitoring are contributing to



## MANAGING DIRECTOR'S REPORT (Continued)

### Operations (Continued)

minimizing idle running hours, and improving the performance of our equipment. Now, maximizing capacity utilization is a top priority for our technical team. Year 2021 shows a positive trend in the consumption of higher quality cement, having an impact on the clinker incorporation. Though our CO<sub>2</sub> emissions per type of cement have dropped considerably and are below previous year. We are the only integrated plant in Tanzania running the kilns with gas, and therefore outperforming in terms of CO<sub>2</sub> emissions reduction in comparison to other

cement plants in Tanzania. Operational excellency is a must to improve efficiency and reduce production costs to remain competitive.

The efforts made throughout the year on the operational side to increase clinker production, combined with the focus on producing high quality products, whilst maintaining strong customer relationships and service excellence, has allowed Twiga Cement to improve full year results.

Twiga Cement is investing more than in the previous years, increasing our cement sales capacity over



Bagamoyo Tanzania,  
TPCPLC bulker heading to Coast  
Concrete (electric concrete poles  
contractor)

10%, mainly due to two projects, the rehabilitation of cement mill two, and the cement kiln dust (CKD). Our efforts are aiming to sustain continuous cement and clinker production growth; as a result, we were able to increase sales by 27% in the last five years. We have also carefully explored the different opportunities to improve the energy management mainly related to the gas consumption by using biomass as an alternative fuel. Twiga Cement goes beyond environmental regulations and is fully committed to reduce the CO<sub>2</sub> emissions.

Through using cleaner energy sources, we have and continue to

reduce **CO<sub>2</sub>** emissions



## MANAGING DIRECTOR'S REPORT (Continued)

### Financial Performance

In year 2021 Twiga Cement managed to achieve an Operating Profit of TZS 125.6 billion, 20% above 2020, mainly due to higher total revenue (14.2%), slightly higher variable cost, and similar fixed costs compared to the previous year. The profit for the year 2021 after taxes is TZS 88.5 billion, which is 18.5% better than previous year.

Earnings per share have increased from TZS 415 per share to TZS 492 per share in 2021. The cash flow position has also improved by 10% and our balance sheet remains robust and healthy, mainly due to higher current assets, particularly higher cash, and cash equivalents, making possible to deliver high, stable and predictable dividends to our shareholders for another year.

Dividends proposed for year 2021 will be 390 TZS per share, same high level as in 2020, despite the ongoing large capital expenditure in cement capacity increase, limestone reserves and the alternative fuel feeding system.

Year 2021 was also a good opportunity for Twiga Cement to lead our region with some best practices in all the areas, these efforts together with the operational improvements are making possible to offset the stiff competition and to face the coming challenges with a stronger financial position.

### Corporate Citizenship

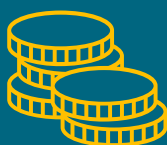
Twiga Cement's top priority in 2021 has been achieved, it is to protect our employees and prevent potential accidents and incidents at the workplace, the zero-fatality target is a must, also to improve our performance indicators regarding Health and Safety as well as OHSAS 18001 certification renewal. Twiga Cement closed the year without fatalities and less incidents, in own and third-party employees, the good statistics clearly reflect once more the full commitment of the team.

Twiga Cement carried out various environment programs as per its environment management plan. Several environment training programs were facilitated during the year by the company, conducted within our Wazo quarry, participants were stakeholders from NGOs, municipalities, universities, government institutions & diplomatic missions, primary, secondary, and higher learning institutions, Twiga Cement employees and contractors. These trainings or workshops carried out were about quarry rehabilitation and promotion of urban forestry concept in cement factories.

In 2021, 19,346 tree seedlings were donated for greening activities from our tree nursery, and above 500 valuable trees were planted for quarry rehabilitation within the factory. At the same time in 2021, we had surveillance audit for environment standard ISO 14001:2015 and we retained our certification. On the other hand, the key topics related with the environment are the alternative fuels, CO<sub>2</sub> emissions reduction, and municipality waste management (RDF).

On the corporate social responsibility (CSR) front, the company continued to support non-profit organizations, schools and government institutions working to advance education, protect the environment, and strengthen communities around the country. During year 2021, more than 100 students from different universities were enrolled and participated in internship programs. Also, a large number of engineers participated in training

**"Our Cash flow position remains strong"**



**+10%**  
compared to previous year

## MANAGING DIRECTOR'S REPORT (Continued)

### Corporate Citizenship (Continued)

programs at the factory, a special mention to the mining and quality control programs. Infrastructure related support in form of cement and expertise was also given to various schools and institutions within the country.

### Future Ahead

The industry will continue to face tough competition due to the new cement capacities and the challenges; some are global like Covid-19 and more recently the war in Europe. This is having a negative impact in the supply chain, and in particular the diesel price is increasing the landed cost of all raw materials, which is at the same time increasing the production cost. However, Twiga Cement has reacted fast to increase its cement capacity with projects already concluded within 2021, like the cement kiln dust (CKD), cement mill two rehabilitation, these additional volumes will increase our revenue. On the cost side, the alternative fuels also become a new priority, to reduce the thermal cost, the new alternative fuel feeding system will be ready by the end of September 2022. Our target to remain competitive is based on volumes and cost control.

Regarding the environmental policies, our CO<sub>2</sub>

emissions will be aligned with the CO<sub>2</sub> roadmap of the Group, and Twiga will be leading the sustainability policies within the industry in Tanzania. In this new scenario with stiff competition Twiga Cement will remain fully committed to support the ongoing growth of the Country, by developing high quality products to be delivered in all territory at an accessible price, despite inflationary pressure.

We will keep our strong focus on production cost reduction initiatives, and process improvement programs to maximize our capacities. Our top priority remains the health and safety of our employees. Twiga Cement will lead the industry with the highest standards to become a reference in the market, making sure our customers and stakeholders are the beneficiaries of our different efforts and initiatives. Twiga Cement is a customer-oriented Company fully committed to provide value added services and quality products. Our Team is determined to keep our competitive edge in our operations at Wazo Hill as well as in the market. I would like to thank all our stakeholders and particularly our distributors and customers for their support during the year. We have every confidence that Twiga Cement will continue to deliver good value for our shareholders in 2022.





**MANAGING DIRECTOR'S REPORT**

“Usalama wa wafanyakazi  
ni kipaumbele cha kwanza”



“Tumejikita kuwa mwongozo kwenye sekta ya  
saruji nchini Tanzania, kwa kuweka sera na kanuni  
endelevu katika utunzaji wa mzingira”

## TAARIFA YA MKURUGENZI MTENDAJI (Inaendelea)

“Shukrani zangu za dhati zinawaendea wateja wetu wote, wasambazaji, wafanyakazi na wadau wengine wote kwa kutuwezesha kufikia rekodi nyingine ya juu zaidi ya mafanikio”

Mwaka 2021 ulikuwa mwaka mzuri na Twiga Cement iliweza kuboresha matokeo ya mwaka uliopita. Uzalishaji na mauzo ulifikia rekodi mpya, pia shukrani za dhati kwa miradi imara ya miundombinu. Ukuaji wa nchi umechochea ukuaji wa sekta ya saruji na ujenzi, kuongezeka zaidi ya mwaka uliopita. Fedha za kigeni zilibaki imara pamoja na bei, ambazo hazikuongezeka kwa mwaka 2021, licha ya mfumuko wa bei. Mchanganyiko wa malighafi umeleta saruji zenye ubora. Kwa upande mwingine, gharama za uzalishaji kwa tani ya saruji zimezingatiwa licha ya kuongezeka kwa bei ya malighafi, na kiwango cha faida kiliendelea kukua zaidi kutokana na kujitolea kwa timu yetu. Twiga Cement imeendelea kua kiongozi kwenye soko na imeboresha tena matokeo ya mwaka uliopita.

Faida ya Uendeshaji iliongezeka kwa asilimia 20 ikilinganishwa na mwaka uliopita, chanzo cha ongezeko la kiasi cha mauzo ni kutokana na uwekezaji, ubora wa uendeshaji ambao ulipelekea Kampuni kufikia rekodi mpya ya uzalishaji wa klinka, na hii imeisaidia Twiga Cement kudumisha gawio katika kiwango cha juu.

Mwaka 2021 Twiga Cement imeuza tani kilo 126 zaidi ya mwaka uliopita. Uzalishaji wa klinka uliliongezeka kwa tani kilo 28 zaidi ikilinganishwa na mwaka 2020, na hivyo kuufanya mwaka 2021 kua mwaka bora zaidi katika uzalishaji wa klinka.

Msingi wetu imara kwa wateja wetu ni nguzo muhimu, ambayo imeleta uwezekano wa kufikia malengo yetu ya kibiashara ndani na nje ya nchi.

Tunaamini kuwa muuganiko wa wafanyakazi, bidhaa na huduma, pamoja na wateja wetu wanaweza kutoa suluhisho sahihi kukabiliana na mazingira ya ushindani na kuhakikisha ongezeko la thamani kwa wadau wetu linakua endelevu.

“Tunaendela kuhakikisha thamani kwa wahisa wetu inogezeka”

**+28 kilo tani**

Uzalishaji wa klinka<sup>2</sup>

**+126 kilo tani**

Mauzo ya saruji<sup>2</sup>

**+20.2%**

Faida ya uendeshaji<sup>2</sup>

**+10%**

Ongezeko la uwezo wa kuuza<sup>2</sup>

<sup>2</sup>takwimu zimelinganishwa na mwaka uliopita



## TAARIFA YA MKURUGENZI MTENDAJI (Inaendelea)

### Mauzo

In Mwaka 2021, Twiga Cement ilifikia rekodi mpya ya mauzo, soko la saruji liliendelea kukua kwa zaidi ya asilimia 10, zaidi ya Pato la Taifa (5.7%) na zaidi kwa mwaka uliopita. Soko la ndani la Tanzania lilifikia karibu tani milioni 6.5, ukiondoa mauzo nje ya nchi. Miradi mikubwa ya miundombinu inayoendelea imechangia sana ukuaji wa shughuli za ujenzi nchini Tanzania kwa mwaka 2021. Twiga inajihusisha sana katika miradi hii yote. Uwezo wa mauzo wa Twiga Cement uliongezeka mnamo 2021 kwa zaidi ya asilimia 10, ili kuendana na ukuaji wa soko na kuhakikisha upatikanaji wa saruji

kwenye soko. Mwenendo unaendelea kukua na Twiga imeweza kuuza takribani asilimia 7 zaidi ya mwaka uliopita.

Sekta ya saruji nchini Tanzania inajumuisha viwanda sita (6) vya uzalishaji wa saruji na viwanda kadhaa vya kusaga saruji ambavyo vina uwezo wa uzalishaji tani milioni 11 kufikia mwishoni mwa mwaka 2021, hivyo uwezo wa matumizi kwa ujumla ni mdogo, lakini Twiga Cement iko katika kiwango cha juu cha matumizi, na hii ndio sababu tuliamua kuwekeza katika uwezo wa ziada wa saruji.



Timu ya mauzo ya Twiga inafanya kazi vizuri na wasambazaji wetu kuhakikisha bidhaa zetu zinapatikana katika Mikoa yote Tanzania. Kumekuwa pia na washindani wapya kwenye soko, hali hii italeti ushindani mkali katika miezi ijayo, mbali na mazingira magumu ya soko, Twiga Cement imedhamiria kubaki kiongozi wa soko kwa kutoa bidhaa bora na kuridhisha wateja. Mauzo ya nje kuelekea nchi za jirani yataendelea kuwa muhimu ili kuongeza uwezo wa matumizi ambayo sekta ya saruji ya Tanzania inakabiliwa nayo.

### Uendeshaji

Mwaka 2021, Twiga Cement iliweka tena rekodi mpya ya utengenezaji wa klinka na saruji. Vigezo vyote muhimu vya uendeshaji kwa mwaka vinaonyesha mwenendo mzuri kwenye ubora na utendaji wa mitambo kwa ujumla, kuthibitisha kwa mara nyingine tena umuhimu wa kuzingatia ubora na kupunguza gharama za uzalishaji. Ufanisi wa matanuru ya klinka na vinu vya kusaga saruji umeimarika pamoja na ufanisi wa nishati joto. Wataalamu wa kiufundi na ufuatiliaji bora wa matumizi ya nishati vyote vimechangia



## TAARIFA YA MKURUGENZI MTENDAJI (Inaendelea)

kuhakikisha mitambo inafanya kazi vizuri. Mwaka 2021, umetoa mwenendo mzuri katika matumizi ya saruji bora na matumizi ya klinka katika uzalishaji wa saruji, na uzalishaji wa hewa chafu kwa kila aina ya saruji umepungua sana kuliko mwaka uliopita. Sisi ndio kiwanda pekee nchini Tanzania kinachoendesha matanuru ya klinka kwa kutumia nishati ya gesi, na hivyo kupunguza utoaji wa hewa chafu (CO<sub>2</sub>) kuliko viwanda vingine vya saruji Tanzania. Ili kuendelea kuwa washindani katika soko, mkazo unawekwa kwenye ufanisi na kupunguza gharama za uzalishaji. Jitihada zilizofanywa ndani ya mwaka kwa upande wa

uendeshaji ili kuongeza uzalishaji wa klinka, pamoja na kuzingatia uzalishaji wa bidhaa za hali ya juu, wakati huohuo kuboresha huduma na mahusiano bora na wateja, jitihada hizi zimeipatia Twiga Cement fursa ya kuboresha mapato ya mwaka.

Twiga Cement imewekeza zaidi kuliko miaka iliyopita, na tumefanikiwa kuongeza uwezo wa kuzalisha saruji kwa zaidi ya asilimia 10, hasa kutokana na miradi miwili ambayo ni ukarabati wa kinu cha saruji namba mbili na mtambo wa vumbi la klinka na saruji



Bagamoyo Tanzania,  
TPCPLC bulker heading to Coast  
Concrete (electric concrete poles  
contractor)

(CKD). Jitihada zetu zinalenga kuendeleza uzalishaji wa saruji na klinka. Hivyo, tuliweza kuongeza mauzo kwa 27% ndani ya miaka mitano iliyopita. Pia tunaangalia fursa tofauti za kuboresha matumizi ya nishati hasa matumizi ya nishati ya gesi, kwa kuendeleza mtumizi ya biomasi kama nishati mbadala. Twiga Cement tumejikita katika kutunza mazingira zaidi ya kuzingatia kanuni za mazingira na tumejitolea kikamilifu kupunguza uzalishaji wa hewa chafu.

Kwa kutumia nishati mbadala,  
tuaendelea

kupunguza CO<sub>2</sub>



## TAARIFA YA MKURUGENZI MTENDAJI (Inaendelea)

### Utendaji wa Fedha

Mwaka 2021, Twiga Cement ilifanikiwa kufikia faida ya uendeshaji ya kiasi cha Shilling billioni 125.6, asilimia 20 zaidi ya mwaka 2020, hasa kutokana na mapato ya jumla (14.2%) licha ya gharama ya uendeshaji kuongezeka kidogo. Faida kwa mwaka 2021 baada ya kodi ni Shillingi billion 88.5, ambayo ni asilimia 18.5% zaidi ya mwaka uliopita.

Mapato kwa kila hisa yameongeka kutoka Shillingi 415 hadi Shillingi 492 mwaka 2021. Uwezo wa kifedha umeimarika kwa asilimia 10 na taarifa ya hali ya fedha bado ipo imara sana hasa kutokana na ongezeko la mali za uendeshaji, hasa uwepo wa fedha. Hii imewezesha kutoa gawio zuri kwa wanahisa wetu kwa mwaka mwingine tena.

Gawio limependekesha kwa mwaka 2021 kuwa Shillingi 390 kwa hisa, ikiwa sawa na mwaka 2020, mbali na matumizi makubwa ya mtaji kuongezeka kwenye uzalishaji wa sekta ya saruji, akiba ya mawe ya chokaa na mfumo mbadala wa uzalishaji nguvu ulio mzuri.

Mwaka 2021 pia ulikuwa na fursa nzuri kwa Twiga Cement kuongoza kwenye ukanda wetu kwa utendaji bora katika maeneo yote, jitihada hizi pamoja na maboresho ya uendeshaji uliosaidia kukabiliana na ushindani mkubwa na kuiwezesha Kampuni kumudu changamoto zinazojitokeza kwa kuhakikisha tunakua imara kifedha.

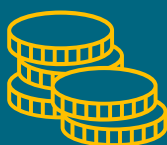
### Uraia Mwema

Vipaumbele vya juu vya Twiga Cement kwa mwaka 2020 vimetimizwa, hii ni Pamoja na kuwalinda wafanyakazi wetu na kuwakinga na ajali na matukio hatarishi katika maeneo ya kazi. Kutokua na vifo kazini ni lazima, pia kuboresha viashiria vyetu vya utendaji kuhusu afya na usalama pamoja na utoaji wa vyeti vya OHSAS 18001. Twiga Cement imehakikisha uwepo wa mazingira salama kwa wafanyakazi na imeendelea kujikita katika kutimiza ahadi hiyo.

TPCLC imeweza kuendeleza programu mbalimbali za mazingira. Mafunzo mbalimbali yalitolewa ndani ya machimbo yetu ya Wazo kwa mwaka 2021, washiriki walikua wadau kutoka taasisi zisizo za kiserikali, manisipaa, vyuo vikuu, taasisi za serikali, wajumbe mbalimbali wa kidiplomasia, shule za msingi, sekondari, wafanyakazi na wakandarasi wa TPCLC. Mafunzo haya yalifanyika kuboresha machimbo kama njia ya kuhamasisha utunzaji wa miti katika maeneo ya mijini na maeneo ambapo viwanda vya saruji. Mwaka 2021, miti 19,346 ilitolewa katika vitalu vya misitu na miti zaidi ya miti 500 iliotesha kwa ajili ya kulinda misitu ndani ya kiwanda. Vilevile mwaka 2021 tuliweza kutimiza agizo la kiwango cha mazingira kama inavyotakiwa na ISO 14001:2015. Kwa upande mwingine mada muhimu kampuni inaziangalia kuhusiana na mazingira ni Pamoja na upatikanaji wa nishati mbadala, kupunguza uzalishaji wa CO<sub>2</sub> na usimamiza wa taka za manisipaa.

Katika Nyanja ya jamii, Kampuni imeendelea kutoa misaada katika mashirika yasiyo ya kibiashara, shule na taasisi za serikali zinazofanya kazi ya kendeleza elimu, kulinda mazingira na kuimarisha jamii kote nchini. Kwa mwaka 2021, zaidi ya wanachuo 100 kutoka vyuo mbalimbali waliweza kushiriki mafunzo ndani ya kampuni. Idadi kubwa ya wahandisi pia walishiriki mafunzo ndani ya kiwanda katika fani ya uchimbaji wa madini na uhibiti wa ubora. Misaada inayohusiana na miundombinu katika mfumo wa saruji na utaalamu pia ilitolewa katika shule na taasisi mbalimbali nchini.

“Our Cash flow position remains strong”



**+10%**

compared to previous year

## TAARIFA YA MKURUGENZI MTENDAJI (Inaendelea)

### Matarajio

Sekta ya viwanda vya saruji itaendelea kupata ushindani mkubwa kwa sababu ya viwaanda vipya vya saruji. Changamoto zingine, kama vile athari za Covid-19 na hivi karibuni vita vilivyotokea katika bara la ulaya, hii ina athari mbaya katika mnyororo wa usambazaji wa saruji na hasa bei ya dizeli, inaongeza gharama ya kutua ya malighafi zote ambayo kwa wakati huo huo inasababisha ongezeko kwenye gharama za uzalishaji.

Hata hivyo, Twiga Cement imechukua hatua za haraka kuongeza uwezo wake wa kutengeneza saruji na miradi ambayo tayari imekamili ndani ya waka 2021, kama vumbi la tanuru la saruji (CKD), ukarabati wa kinu cha saruji namba mbili (CM2), kiasi hiki cha ziada kitaongeza mapato yetu. Kwa upande wa gharama, matumizi ya nishati mbadala pia yamekuwa kipaumbele chetu ili kupunguza gharama za nishati ya joto, mfumo mpya mbadala wa kulisha mafuta utakuwa tayari mwishoni mwa Septemba mwaka 2022. Lengo letu la kubaki washindani linatokana na kuongeza mauzo na udhibiti wa gharama za uzalishaji.

Kuhusu sera za mazingira, katika kuthibiti uzalishaji wa hewa chafu (CO<sub>2</sub>) Twiga Cement itahakikisha inafuata muongozo wa kampuni mama HeidelbergCementAg na kuendelea kuwa mfano

wa kuigwa kwenye sera za mazingira nchini. Katika hali hii mpya yenye ushindani mkali, Twiga Cement itaendelea kujitolea kikamilifu kusaidia ukuaji unaoendelea wa Nchi, kwa kutengeneza bidhaa zenye ubora wa hali ya juu zitakazo sambazwa mahali popote kwa bei nafuu, licha ya shinikizo la mfumuko wa bei.

Tunaweka malengo thabiti kupunguza gharama za uzalishaji na uboreshaji wa michakato ya uzalishaji. Kipaumbele chetu cha muhimu Zaidi ni kulinda usalama na afya bora kwa wafanyakazi wetu.

Twiga Cement inaongoza sekta ya viwanda kwa kuweka viwango vya juu ili tuwe mfano kwenye soko la saruji, hii ni kwa kuhakikisha kuwa wateja wetu na wadau wote wananufaika kwa mipango na jitihada zetu. Twiga Cement ni kampuni iliyojikita zaidi kwa wateja wake na itaendelea kutoa huduma bora na bidhaa zilizo bora. Timu nzima imeweka malengo ya ushindani kwenye uendeshaji wa kiwanda Pamoja na ushindani sokoni.

Napenda kuwashukuru wadau wote na kwa namna ya pekee wateja na wasambazaji wetu kwa jinsi walivyo tusaia kufika hapa tulipo kwa mwaka mzima. Tuna imani kubwa Twiga Cement itaendelea kutoa thamani nzuri kwa wanahisa wetu kwa mwaka wa 2022.





Next section:

# Governance







Dar Es Salaam City, Tanzania  
TPCPLC Plant,  
Technical team in front of silos



## BOARD OF DIRECTORS' BIOGRAPHY



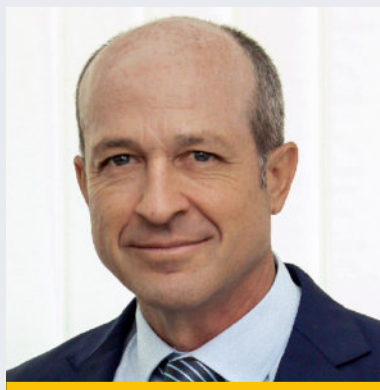
**Mr. Hakan Gurdal**  
*Chairman of the Board*

Mr. Hakan Gurdal, a Turkish national, was appointed Chairman of TPCPLC Board in August 2017.

He studied mechanical engineering at the Yildiz Technical University in Istanbul and holds an MBA International Management from the University of Istanbul.

He joined Canakkale Cimento (today part of the joint venture Akcansa) in 1992.

He is a member of the Managing Board since 2016; in charge of the Africa-Eastern Mediterranean Basin Group area and Purchasing.



**Mr. Alfonso Velez**  
*Managing Director*

Mr. Alfonso Velez, a Spanish national, was appointed as the Managing Director of TPCPLC from August 2016.

In August 2017.

He was appointed as the General Manager for Central and South-East Africa operations which comprised of Tanzania, Congo DRC, Mozambique and South Africa. Alfonso holds a Phd of Economics and Business Organization from University of Granada, MBA Corporate Finance from University of Dallas.

He has a vast experience in cement industry and related companies in Europe before joining HeidelbergCement Group in 2013 as the Managing Director of CIMBENIN.



**Mr. Oswald Martin Urassa**  
*Director*

Mr. Oswald Urassa, a Tanzanian national, is a CFO of Tanzania Mortgage Refinance Co. Ltd. He studied finance at the University of Dar es Salaam and he is registered by the National Board of Accountants and Auditors in the category of Certified Public Accountant in Public Practice (CPA-PP).

He has been a member of the board to various organizations including Government Employees Provident Fund (GEPF), National Board of Accountants and Auditors (NBAA), Tanzania Association of Accountants (TAA), Investment Trust Board (ITB) and Evangelical Lutheran Church of Tanzania, Eastern and Coastal Diocese (ELCT-ECD).

## BOARD OF DIRECTORS' BIOGRAPHY (Continued)



**Mr. Francesco Brambilla**  
Director

Mr. Francesco Brambilla, an Italian national, was appointed as TPCPLC board member in April 2018.

He studied Civil Engineering at Pavia university (IT) and holds an MBA from Essec Business School (FRA) and Mannheim Business School (GER).

He joined Heidelberg Cement in 2016 as Market Intelligence and Sales Processes Director for Africa and Eastern Mediterranean Basin Group area.

With a vast experience in the cement business, prior to his current role he has covered several managerial positions both in operations and in strategy & business development, in Europe and in Africa.



**Mr. Dominik Michel**  
Director

Mr. Dominik Michel, a German national was appointed as TPCPLC board member in of TPCPLC Board in November 2021.

Mr. Dominik has served as a member of the TPC PLC Audit Committee since 2015.

He has served on various Boards and Audit committees in different cement plants within the group having gained finance and management experience of more than 15 years in senior positions including Finance Director/CFO in Sierra Leone, Ghana, and Egypt, respectively.

He is currently the Area Director, Financial Planning & Analysis for the Groups Area Africa and the Eastern in Mediterranean (AEM) Basin in HeidelbergCement.



**Mrs. Ruth Henry Zaipuna**  
Director

Mrs. Ruth Zaipuna, Tanzanian national, is the CEO at NMB Bank PLC, responsible for driving the Bank's corporate strategy to deliver sustainable business growth.

Prior to joining NMB Bank PLC, She had worked with Standard Chartered Bank Tanzania and PricewaterhouseCoopers (PwC). She holds a Master of Business Administration (MBA) in Finance and a Bachelor of Commerce (B.Com) degree in Accounting, both from the University of Dar es Salaam and she holds an Associate Certified Public Accountant (ACPA (T)) certification.



## WASIFU WA WAKURUGENZI



**Bw. Hakan Gurdal**  
Mwenyekiti wa Bodi

Bw. Hakan Gurdal, raia wa Uturuki, aliteuliwa Mwenyekiti wa Bodi ya Wakurugenzi wa TPCPLC mwezi Agosti 2017. Amesomea shahada ya uandisi katika Chuo Kikuu cha Yildiz kilichopo Istanbul, pia amesomea shahada ya pili ya biashara (MBA) katika Chuo Kikuu cha Istanbul. Gurdal alijiunga na Canakkale Cimento mwaka 1992 na amekuwa mjumbe wa Bodi ya Uongozi tangu mwaka 2016 akisimamia kanda ya Afrika-Mediterrania Mashariki.



**Mr. Alfonso Velez**  
Mkurugenzi Mtendaji

Bw. Alfonso Velez, raia wa Hispania, aliteuliwa kuwa Mkurugenzi Mtendaji wa TPCPLC mwezi Agosti 2016. Mwezi Agosti 2017 aliteuliwa kuwa meneja mkuu wa kanda ya kati kusini mashariki mwa Afrika ambayo hujumuisha nchi za Tanzania, Congo DRC, Msumbiji na Afrika Kusini. Bw. Alfonso amesomea shahada ya uzamifu katika uchumi katika Chuo Kikuu cha Granada, Shahada ya pili ya masuala ya fedha (MBA) katika Chuo Kikuu cha Dallas. Bw. Alfonso ana uzoefu wa miaka mingi katika sekta ya saruji na amefanya kazi katika bara la Ulaya kabla ya kujiunga katika kundi la makampuni ya Heidelberg Cement mwaka 2013, kama Mkurugenzi Mtendaji wa kampuni ya CIMBENIN.



**Bw. Oswald Martin Urassa**  
Mkurugenzi

Bw. Oswald Urassa, rai wa Tanzania, ni Mtendaji Mkuu wa Idara ya Fedha ya kampuni ya Tanzania Mortgage Refinance. Bw. Urassa amesomea masuala ya fedha katika Chuo Kikuu cha Dar es Salaam na pia amesajiliwa na kuthibitishwa kama mhasibu (CPA-PP) na Bodi ya Taifa ya Wahasibu na Wakaguzi (NBAA). Bw. Urassa ni mwenyekiti au mjumbe wa bodi za mashirika mbalimbali kama vile Shirika la Hifadhi ya Jamii la Watumishi wa Serikalini (GEPF), Bodi ya Taifa ya Wahasibu na Wakaguzi (NBAA), Chama cha Wahasibu (TAA) na Shirika la uwekezaji lililo chini ya Kanisa la Kilutheri Tanzania.

**WASIFU WA WAKURUGENZI** (Inaendelea)

**Bw. Francesco Brambilla**  
Mkurugenzi

Bw. Francesco Brambilla, raia wa Italia, aliteuliwa kuwa mjumbe wa bodi ya TPCPLC mwezi April 2018. Bw. Francesco alihitimu shahada ya uhandisi na kutoka Chuo Kikuu cha Pavia na shahada ya pili katika usimamizi wa fedha kutoka katika vyuo vikuu vya Essec (FRA) na Mannheim (GER). Bw. Francesco alijiunga na Heidelberg Cement mwaka 2016 kama Mkurugenzi wa Idara ya Intelijensia ya Masoko na Mauzo ukandawa Afrika na Mashariki ya Mediterranean, akiwa na uzoefu mkubwa katika biashara ya saruji. Kabla ya kujiunga na Heidelberg Cement, Bw. Francesco alishika nyadhifa mbalimbali za kiutawala kwenye masuala ya uendeshaji, sera na biashara katika bara la Ulaya na Afrika.



**Bw. Dominik Michel**  
Mkurugenzi

Bw. Dominik Michel, raia wa Ujerumani, aliteuliwa kuwa mjumbe wa bodi ya TPCPLC mwezi Nobemba 2021. Dominik amekuwa mjumbe kwenye kamati ya ukaguzi ya TPCPLC tangu mwaka 2015. Bw. Dominik amewahi kuhudumu kwenye bodi na kamati za ukaguzi katika viwanda mbalimbali ndani ya HeidelbergCement, hivyo ana uzoefu wa usimamizi wa fedha kwa zaidi ya miaka 15 katika nafasi za juu kama, Mkurugenzi wa fedha katika katika makapuni yaliyoko Sierre Lione, Ghana, na Misri.

Bw. Dominik kwa sasa ni mkurugenzi wa mipango ya fedha na uchambuzi katika ukanda wa Africa na Mashariki mwa bonde la Mediterranean (EAM) ndani ya HeidelbergCement.



**Bi. Ruth Henry Zaipuna**  
Mkurugenzi

Bi. Ruth Zaipuna, raia wa Tanzania, ni Mkurugenzi Mtendaji wa NMB Bank PLC. Bi. Ruth anawajibika kuendesha benki ya NMB katika mkakati wa kuleta ukuaji endelevu wa kibiashara. Kabla ya kujiunga na NMB Bank PLC, Bi. Ruth aliwahi kufanya kazi na Standard Chartered Bank Tanzania na PricewaterhouseCoopers (PwC). Ruth amesoma shahada ya pili ya biashara (MBA), na shahada ya kwanza ya uhasibu, zote kutoka katika Chuo Kikuu cha Dar es Salaam. Pia, Ruth amesajiliwa na kuthibitishwa kama mhasibu (ACPA(T)) na Bodi ya Taifa ya Wahasibu na Wakaguzi (NBAA)



**KEY MANAGEMENT PERSONNEL**



**Name "Position"** (From Left)

**Mr Jerome Mwakabaga**  
"Health & Safety Manager"

**Mr Richard Magoda**  
"Environmental Manager"

**Mr Peter James**  
"Finance Director"

**Mr Alfonso Velez**  
"Managing Director"

**Mr Yves Mataigne**  
"Sales and Marketing Director"

**Mr Ian Dobson**  
"Procurement Director"

**Mrs Evaline Mushi**  
"Director of Human Resources"

**Mr Gregory Ndimbo**  
"Internal Audit & Quality  
Assurance Manager"

**Mr Ahmed Elsayy**  
"Plant Manager"





## THE REPORT BY THOSE CHARGED WITH GOVERNANCE

The directors present their report and the audited financial statements for the financial year ended 31 December 2021 which disclose the state of affairs of Tanzania Portland Cement Public Limited Company ("the Company" or "TPCPLC").

### 1. INCORPORATION

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

### 2. COMPANY'S VISION

To develop a strong identity, be the market leader and the first choice amongst cement consumers in Tanzania.

### 3. COMPANY'S MISSION

To satisfy customers by providing them with high-quality products and services at an affordable price.

### 4. PRINCIPAL ACTIVITIES

To develop a strong identity, be the market leader and the first choice amongst cement consumers in Tanzania.

### 5. QUALITY STATEMENT

We are successful only when our customers are successful. Tanzania Portland Cement Public Limited Company (TPCPLC) contributes to customers' success by supplying them with the products they want and need. We strive to achieve customer satisfaction by ensuring that the quality of our products is within the required standards and services are consistent and are continuously improved to meet our customers' expectations. It is the declared goal of every employee to make TPCPLC (and Twiga Cement brand) recognized for quality. This position allows us to achieve market leadership.

"At Twiga Cement, outstanding quality is assured"



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 6. DIRECTORS

The directors of the Company who served during the year, and to the date of this report, are:

Name	Title	Nationality	Age	Qualification
Mr Hakan Gurdal	Chairman	Turkish	53	Engineer, MBA
Mr Gary Whitehead (retired)	Director	British	51	FCCA
Mr Dominik Michel	Director	German	46	Bachelor BA
Mr Alfonso Velez	Managing Director	Spanish	53	MBA
Mr Oswald Martin Urassa	Director	Tanzanian	57	B.com, MBA, CPA(T)
Mrs Ruth Henry Zaipuna	Director	Tanzanian	48	B.com, MBA, CPA(T)
Mr Francesco Brambilla	Director	Italian	50	Engineer

All current Directors are non-executive except for the Managing Director.

The Company Secretary during the year ended 31 December 2021 was Mr Brian Kangetta (Kenyan), 44 years old.

The Board appointed Dominik Michel as a non-executive director with effect from 24 November 2021. Dominik has a wealth of knowledge and experience in the cement industry for over 21 years. Dominik Michel takes over from Gary Whitehead who retired effective from 24 November 2021.

### 7. AUDIT COMMITTEE

The Audit Committee members who served during the year, and to the date of this report, are:

Name	Nationality	Title
Mr Gary Whitehead (retired)	British	FCCA
Mr Dominik Michel	German	Bachelor BA
Mrs Ruth Henry Zaipuna	Tanzanian	B.com, MBA, CPA(T)

### 8. DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

Name	Number of Shares	
	2021	2020
Mr Oswald Martin Urassa	500	500



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 9. DIRECTORS' REMUNERATION

The Company paid a total of TZS 115.3 million (2020: TZS 112.4 million) for services rendered by Directors of the Company and members of the Audit Committee.

### 10. KEY MANAGEMENT PERSONNEL OF THE COMPANY

The key management personnel who served the Company during the year ended 31 December 2021 were:

Name	Title
Mr Alfonso Velez	Managing Director
Mr Peter James	Finance Director
Mrs Evaline Mushi	Director of Human Resources
Mr Yves Mataigne	Sales and Marketing Director
Mr Ahmed Elsayy	Plant Manager
Mr Richard Magoda	Environmental Manager
Mr Jerome Mwakabaga	Health & Safety Manager
Mr Ian Dobson	Procurement Director

The Company has an independent internal audit function reporting directly to the Board audit committee. The Internal Audit and Quality Assurance Manager is Mr. Gregory Ndimbo.

### 11. OPERATIONAL PERFORMANCE

Clinker production increased by 2.8% compared to 2020 and Cement production increased by 6.8% compared to 2020, due to overall improvement in machines performance and increased cement demand in the market.

The Company recorded an increase in sales volume by 6.6% compared to 2020. The turnover increased from 393.7 billion in 2020 to TZS 449.5 billion in 2021, an increase of 14.2%. The overall improved performance and market growth have contributed to this increase in turnover.

The cost of sales increased by 12.2% compared to 2020, mainly as a result of increased raw materials costs due to increased production, and distribution costs associated with deliveries of cement to customers.

The Company made a total operating profit of TZS

125.6 billion compared to TZS 104.9 billion in 2020, an increase of 19.7%. The increase in operating profit was a result of overall market growth and improved cost control. Profit before tax increased from TZS 107.4 billion in 2020 to TZS 128.0 billion in 2021.

After the effect of the income tax of TZS 39.6 billion (2020: TZS 32.8 billion), the profit for the year was TZS 88.5 billion (2020: TZS 74.7 billion). Total comprehensive income amounted to TZS 87.4 billion (2020: TZS 75.7 billion).

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### Tanzania Portland Cement PLC at a glance

Figures in "Million TZS"	2021	2020
<b>Income Statement</b>		
Revenue	449,509	393,740
Operating profit	125,582	104,945
Profit for the financial year	88,482	74,676
Earnings per share (TZS/Share)	492	415
Dividend per share proposed/ paid (TZS/Share)	390	390
<b>Investments &amp; Depreciation</b>		
Investments in Tangible Assets & PPE	27,820	12,346
Depreciation and amortisation	(18,666)	(17,297)
<b>Balance sheet</b>		
Non-current assets	148,636	140,772
Current assets	230,678	212,433
Equity	272,236	255,001
Non-current liabilities	19,545	21,842
Current liabilities	87,533	76,361
Balance Sheet Total	379,314	353,204
Net debt [(+) means geared]	(30,667)	(35,091)
<b>Ratios</b>		
Operating Income (OI Margin)	28%	27%
Net debt/shareholders' equity	0.0%	0.0%
Net debt/OI	0.00x	0.00x
<b>Non-Financial Figures:</b>		
Number of employees as at 31 December	260	257

### 12. FUTURE PROSPECTS OF THE COMPANY

The cement demand in Tanzania and the East-African region has been growing steadily over the past years. TPCPLC has invested in expanded capacity, rehabilitated old clinker lines and identified strategic sources of raw materials to secure its operations. Additional focus has been placed on projects that will increase production capacity and reduce CO<sub>2</sub> emissions through the utilization of biomass energy. These projects include;

Cement Mill No.2 rehabilitation and the Cement Kiln Dust project (CKD) projects, completed during the year 2021, will support in improvement of production capacity for the Company. The Directors believe the Company is well placed to meet this growing demand.

The Alternative fuel project, expected to be completed in 2022, will ensure an increase in alternative fuel consumption (using biomass), reducing CO<sub>2</sub> and production costs. The management is focused on sustainable production and constant reduction in CO<sub>2</sub> emissions.

### 13. SOLVENCY EVALUATION

The Directors have reviewed the current financial position of the Company and the existing short-term borrowings. Based on this review, together with the current business plan, the Directors are satisfied that the Company is a solvent going concern within the meaning ascribed by the Companies Act, 2002 of the Laws of Tanzania and International Financial Reporting Standards.

Extensive operating results information is found from page 82.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 14. ENVIRONMENTAL CONTROL PROGRAMME

#### Quarry Rehabilitation

Quarrying activities often entail significant local environmental impacts as the soil is always removed and the topography altered, or local ecosystems and watersheds are impacted. During or after extraction, opportunities arise to rehabilitate the area and ensure the biodiversity is maintained or even enhanced. Rehabilitation activities depend on the area's bio-geographic conditions, local partners and expertise, and Company motivation.

Quarrying activities continue in line with the Company's environmental policy and commitment to re-naturalise the quarry. The Company is demonstrating its commitment by rehabilitating areas where there are no more mining activities, supporting environmental conservation activities and also capacity building to surrounding communities and other stakeholders to create an environmentally responsible community. Different stakeholders were involved in various aspects of the project which included tree planting, provision of environmental education and training, trees distribution to local communities outside TPCPLC. Also, TPCPLC works closely with the National Tree Seeds Agency (TTSA) researchers and scientists from the University of Dar es Salaam (UDSM), environmental experts based in Heidelberg Cement Group in Germany, local and international volunteers.





## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 14. ENVIRONMENTAL CONTROL PROGRAMME (Continued)

By 31 December 2021, approximately 18.0 hectares in the quarry were completely rehabilitated, 349,026 seedlings were already raised in the quarry and 72,628 trees planted in the quarry with a survival rate of 86.72%. A total of 540 trees re-planted during the year and 19,290 trees were donated to stakeholders. The total number of trees donated to various stakeholders by the end of December 2021 was 189,668 trees.

Pruning of the invasive *Leucaena leucocephala* trees was done in the quarry to plant more valuable trees for future use. A total of 5,134 trees were cut including *Leucaena Leucocephala* (Lusina), *Senna Siamea* (Johoro), *Azadirachta Indica* (Mwarobaini), *Gmelina Arborea* and *Peltophorum Pterocarpum*. Only indigenous trees were planted including *Mkangazi* (Kyaha *Anthotheca*), *Mkongo* (*Azalia quanzensis*), *Mgunga* (*Acacia Spps.*), *Mtiki* (*Tectona grandis*), *Mkwaju* (*Tamarindus Indica*), *Mbuyu* (*Adansonia digitata*) and *Mkenge* (*Albizia Schimperiana*)

TPCPLC also understands the responsibility to the local habitats and communities, and the opportunity to maximize the potential positive impacts of quarrying activities.

Since the beginning of the project, TPCPLC has conducted six official awareness raising and capacity building events in the TPCPLC quarry for visitors, especially youth groups, students and pupils with a belief that through Environmental Education students can be agents of change as well as future decision-makers on sustainable use of biodiversity.

#### ISO 14001:2004 (Environmental Management System)

TPCPLC continues to maintain the ISO 14001 certification, the Company is now certified ISO 14001:2015 and the renewal audit for this new certificate was carried out in 2019. The Company continues to strive to improve its Environmental Management Systems by keeping abreast with environmental trends and implementing its objectives and targets by following planned Environmental Monitoring Programmes as per the national and Heidelberg Cement requirements.





## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 15. HEALTH AND SAFETY

At TPCPLC, occupational health and safety continue to be a top priority. Besides the continued improvement of technical and organizational safety standards within the Company, in 2021 TPCPLC intensified its efforts in improving Occupational Health and Safety performance in its operations through risk assessments and related programmes in order to strive for healthy working conditions for its employees, contractors, and third parties.

Achieving Excellence in Occupational Health and Safety, Management will continue to emphasize the Health and Safety of employees and other interested parties. Taking our social responsibility seriously, the commitment to Occupational Health and Safety is an integral part of the business activities of TPCPLC. Our goal is to avoid all accidents leading to death, injuries, permanent disabilities, or occupational illnesses. To continually improve our performance, we manage Health & Safety through appropriate management tools such as OH&S Policy with Cardinal Rules, and OH&S Standards. These standards address important technical and organisational topics. The Company manages Health and Safety issues using appropriate occupational health and safety management systems. It implements an Occupational Health and Safety Management System (OHSMS) as part of the risk management strategy and has Occupational Health and Safety Management System (ISO 45001:2018 certification). TPCPLC is committed to conducting its business in accordance with all applicable local, regional, national, and international legislations, and within its standards and procedures related to Occupational Health and Safety.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 16. MAJOR EVENTS

There were no major events during the year.

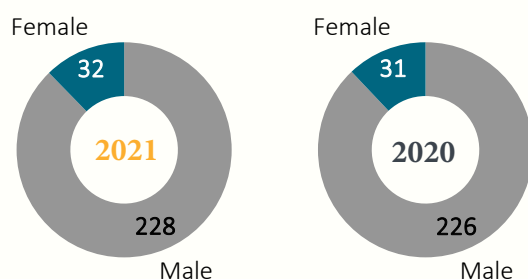
### 17. EMPLOYEE WELFARE

#### a. Relationship between management and employees

The relationship between employees and management for the year ended 31 December 2021 continued to be good. There were no unresolved complaints received by management from employees during the year. A healthy relationship continues to exist between management and the Trade Union. A voluntary agreement entered into between the Tanzania Union of Industrial and Commercial Workers (TUICO) and the Company governs the relationship between management and employees.

#### b. Staff strength and gender parity

As at 31 December 2021, the Company had 260 employees, out of which 32 were female and 228 were male (2020: Total 257; female 31 and male 226).



#### c. Medical facilities

The Company provides medical insurance cover for all employees and their immediate families.

#### d. Industrial safety

The Company has a strong Health and Safety Department which ensures that a strong culture of safety prevails. The Company has facilities and equipment in place, which meet the requirements contained in the Occupational Health and Safety Act, 2003 and other relevant legislation concerning industrial safety such as ISO 45001:2018 Certification.

#### e. Training

The Company consistently invests in personnel development including employing and training qualified talent. Technical and managerial skills are essential in ensuring sound operational management and maintenance of technology in the plant. During the year TPCPLC focused on occupational health and safety, Group compliance policy, financial management, quality management, and leadership development.

The Company collaborated with Vocational Education and Training Authority (VETA) in building up a curriculum for the pilot training of Electrical personnel. Some employees of the Company have been enrolled in this two-year programme to enhance their skills.

#### f. Employee benefits

Salary levels are adjusted annually within the Company's means after negotiations between TUICO and management.

Employees are members of the National Social Security Fund (NSSF). The Company contributes 10% of the gross salary of each employee to NSSF on behalf of all employees. Retirement benefits payable under the Statutory Pension Scheme are supplemented by an endowment scheme, for which the Company contributes 10% of the employee's basic salary.

#### g. Equal opportunities and Disabled persons

The Company is an equal opportunity employer. It gives access to employment opportunities and ensures that the best available person is appointed to any given position free of discrimination of any kind and without regard to origin, gender, marital status, tribe and religion.

It is also a policy of the Company to give equal opportunities to disabled persons for vacancies that do not impair their ability to discharge their duties.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 18. CORPORATE GOVERNANCE

#### a. Code of Corporate Practice and Conduct

TPCPLC is committed to the principles of effective corporate governance and the Board is of the opinion that the Company complies with principles of good Corporate Governance as required by the Stock Exchange Regulations.

#### b. The Board of Directors

The Board currently comprises six directors: five Non-Executive Directors and the Managing Director. The roles of Chairman and Managing Director are separate. The Board is responsible to shareholders for the overall management of the Company, for setting strategy and policies, monitoring of operational performance, risk management processes and setting of authority levels. The Board met 3 times in 2021 (2020: 3 times)

#### c. The Audit Committee

The Board is assisted in the discharge of its responsibilities related to financial reporting, compliance, risk management, accounting, and information systems management by the Audit Committee. The Audit Committee is chaired by one of the Non-Executive Directors. Meetings are held throughout the year and are attended by senior management and the Company's auditors where necessary. The Audit Committee met 3 times in 2021 (2020: 3 times).

#### d. Performance evaluation and reward

The Company has implemented an evaluation and bonus system for its managers and employees. Rewards in the form of yearly bonuses are linked to the Company's financial performance as well as individually set performance targets.

#### e. Risk management and internal control

The Company's organisation includes an internal audit function. The Internal Auditor is responsible for establishing and implementing a yearly internal audit plan whereby compliance with policies and procedures, the adequacy of internal controls and risk management, and the potential for improvements are assessed. In addition, the Company benefits from regular reviews by the internal audit team of the main shareholder.

#### f. Business ethics and organizational integrity

The issues of good governance and ethical conduct are critical to counterparty and investor perceptions of a listed Company. The Company strives to ensure that its integrity and professional conduct is always beyond reproach. The Company has developed ethical guidelines for its employees in order to limit the cost of unethical behaviour to its stakeholders. The Company has adopted the main shareholder's business code of conduct and anti-corruption guidelines. Hence every employee has signed a declaration to comply with these rules.

#### g. Management reporting, financial reporting and auditing

The Company has established management reporting procedures which include the preparation of annual strategic plans and budgets. Actual results are reported monthly against approved budgets and forecasts and compared to the prior year. Financial reporting is done according to International Financial Reporting Standards (IFRS) and published twice yearly in accordance with the requirements of the Dar es Salaam Stock Exchange. The accounts for each financial year are audited by the Company's external auditors.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 19. RISK MANAGEMENT

The Board has the final responsibility for the risk management and internal control systems of the Company. The Board has tasked the management to ensure adequate internal financial and operational control systems are developed, maintained and functional on an ongoing basis in order to provide reasonable assurance on the effectiveness and efficiency of operations.

This will ensure that:

- The Company's assets are safeguarded,
- Compliance with the applicable laws and regulations,
- Reliability of the accounting records,
- Business sustainability, and
- Responsible behaviour towards all stakeholders.

#### a. Operational Risk

Energy is key in the operational activities of the Company and thus, reliable power and prices represent a considerable risk to the Company. The Company depends heavily on the power supply from Tanzania Electric Supply Company Limited (TANESCO). Over the years, the power supply has not been stable and thus impacting the Company's capacity to meet its operational objectives. To ensure the reliability and quality of the power supply, the Company is planning to develop alternative sources of energy.

The TPCPLC limestone quarry is the beginning of the cement manufacturing process. Limestone with a proportionate mix of red soil is converted into raw meal. The finely blended raw meal is then introduced into kilns to produce clinker. Cement grinding is the final stage of the cement manufacturing process. In cement mills, the clinker is grounded into cement, with the addition of gypsum and filler material (depending on market requirements), such as limestone. The availability of limestone quarries is

therefore very important for sustainability and the Company ensures it has adequate limestone deposits. Building materials are subject to a strict standardisation process. Supply of sub-standard products or products that do not meet customers' requirements may adversely impact the Company's sales volume, Company's reputation, customer relationship and may expose the Company to claims and litigations. The Company ensures compliance with the standards at its laboratory and standard certification by the Tanzania Bureau of Standards (TBS) (ISO 9001 Certification).

#### b. Market risk

New Cement factories are being erected and some are close to completion. The competition is therefore expected to intensify. TPCPLC with its cement quality, strong brand, skilled employees and competent management is better placed to meet the competition.

#### c. Financial risks

The significant financial risk is currency risk. The Company's functional currency (TZS) is exposed to fluctuation in the international currency market. This exposes the Company to foreign currency exchange risks. Management is constantly monitoring this risk and taking appropriate decisions so that its impact is minimised. More details on foreign currency risk are included in Note 43 to the financial statements.

#### d. Non-compliance with laws and regulations

Breach of laws and regulations can subject the company to a significant financial and reputational damage. The company has instituted measures to ensure that changes to laws and regulations are timely identified and monitored.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 20. KEY STRENGTHS, STRATEGIES AND RESOURCES

In pursuit of our objectives, the key strengths and resources (both intangible and tangible) available to the Company are:

#### a. Competent Management and Personnel

The most important singular resource of the Company is its human capital. The Company's operations are managed by competent and qualified management teams who drive the day-to-day activities to achieve the Company's objectives. The management team is supported by committed and highly skilled employees who are well experienced in cement technology and industry. The Company employs qualified and competent personnel and also invests in their training.

#### b. Strong Brand and Quality Products

Twiga Cement is a well-known cement brand in the market and synonymous with high quality. The brand and quality of TPCPLC products give the Company a competitive advantage in the market. To meet the quality demand of the market, the Company produces four cement products i.e., Twiga Ordinary (CEM I 42.5N), Twiga Plus (CEM IIB-L 42.5N), Twiga Extra (CEM IIB-L 32.5R) and Twiga Jenga (MC-22X) and Twiga Super (CEM IIB-L 32.5N). The quality of finished goods produced is maintained through consistent quality testing of all the raw materials at every stage of production and the finished goods produced.

#### c. Strong Distribution Network

With a well-defined, diversified distribution network and the fleet of trucks owned by the distributors of the Company, our products can reach remote parts of the country. The Company also exports its products to various countries in the Central and East African Sub-Region.

#### d. Market Position

Twiga Cement is the preferred brand in the market and thus places TPCPLC as the market leader. TPCPLC's market leadership is reinforced by proximity to the main Dar es Salaam market.

#### e. Technical Support

Heidelberg Cement AG, which is the ultimate Holding Company, is the global market leader in aggregates and a prominent player in the fields of cement, concrete and other related downstream activities, making it one of the world's largest manufacturers of building materials. TPCPLC benefits from worldwide technical support in the cement business.

#### f. Technology and Innovation

- **Constant Machinery Technological Improvements**

The Company continues to invest in modern technology to improve overall plant capacity. That is, to increase production capacity, improve quality, reduce energy consumption and reduce environmental footprint. In 2021, steps were taken to rehabilitate Cement Mill 2, implement Cement Kiln Dust (CKD) Project, and initiation of the Alternative fuels project. And also the overall preservation and improvements of cement mill no. 4 and 5 lines, and kiln no. 3 and 4 lines.

- **Digitalization**

TPCPLC is moving more toward digitalization, more focusing on the use of business intelligence tools. This is improving, optimising processes and changing the way that TPCPLC cooperates with its stakeholders. The Company continues to be active in digital marketing ensuring support and optimization of our customer-centric culture.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 20. KEY STRENGTHS, STRATEGIES AND RESOURCES (Continued)

#### g. High-Quality Limestone Reserves

Limestone is the main material in cement production; the Company has adequate reserves for the cement production capacity.

### 21. STAKEHOLDERS RELATIONSHIP

**Employees** – the company put in place programs and initiatives that focus on the improvement of the employee's welfare, keeping priorities on the health and safety and training of employees. Furthermore, the company works closely with the employee's union (TUICO) in ensuring that all issues relating to employees are addressed. The company has maintained a good relationship with TUICO. The relationship with employees is set out in paragraph 17 above.

**Customers** – the company is customer-oriented and is fully committed to providing value-added services, experience and quality products to customers. Our team is determined to keep the competitive edge in our operations as well as in the market.

**Suppliers** – provide raw materials, services, spare parts etc., that are key to the operation of the plant. The company provides an opportunity to all through tendering process, supplier forums, site visits and favourable terms to ensure the sustainability of operations.

**Local communities** – the company is engaged in several initiatives that ensure that matters pertaining to the communities are addressed. The company ensures that it budgets for community initiatives in the areas of education, health care, women and children

**Government and Regulators** – these are responsible for the provision of policies, permits and licenses. The company continues to work

closely with the government and regulators through industry bodies, and public forums. The company has in place programs to ensure that its operations comply with the various laws and regulations including environment, health and safety. Furthermore, the company ensures that its operations promote economic and industrial development in the country.

### 22. POLITICAL AND CHARITABLE DONATIONS

During the year under review, the Company made donations and other contributions of a charitable nature valued at about TZS 161.8 million (2020: TZS 48.2 million). There were no political donations.

Besides the donations, the Company has also been involved in Corporate Social Responsibility, targeting women, health care, education and children. The total contributions were TZS 91.4 million (2020: TZS 165.9 million).

### 23. DIVIDENDS

The Directors recommend payment of TZS 70.17 billion (TZS 390 per share) to shareholders as the final dividend for the year 2021. The final dividend will be approved in the annual general meeting and paid in June 2022. During the year the Company paid TZS 70.17 billion (TZS 390 per share) as the final dividend for the financial year 2020. There was no payment of interim dividend relating to the year ended 31 December 2021. In making this proposal, the Directors have taken into account the financial situation of the Company and its future needs for implementing replacement and improvement projects.

### 24. SUBSEQUENT EVENTS

There are no other events after the reporting period which require adjustment to, or disclosure, in the financial statements.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

### 25. RELATED PARTY TRANSACTIONS

The ultimate Parent Company of TPCPLC is HeidelbergCement AG, listed on the Frankfurt Stock Exchange in the Federal Republic of Germany. Heidelberg Cement AG owns indirectly 100% of Scancem International DA of Norway, which in turn owns 69.25% of the TPCPLC shares.

The Company imports raw materials and consumables from HC Trading. Details of related party transactions are shown in Note 39 of the financial statements.

### 26. SHARE CAPITAL

The total issued share capital of the Company amounts to 179,923,100 ordinary shares (2020: 179,923,100 ordinary shares). There is no change in the issued share capital. The capital structure of the Company is outlined in Note 27.

The shareholding of the Company is as stated below:

Name	2021 %shareholding	2020 %shareholding
Scancem International DA	69.25	69.25
General Public	22.78	22.78
Government Pension funds	7.75	7.75
Wazo Hill Saving and Credit Cooperative Society	0.22	0.22
	<b>100.00</b>	<b>100.00</b>

### 27. ACCOUNTING POLICIES

The financial statements are prepared on the underlying assumptions of a going concern. The accounting policies which are laid out in Note 3 to the financial statements are subject to annual review to ensure continuing compliance with International Financial Reporting Standards.

### 28. STOCK EXCHANGE INFORMATION

On 29 September 2006, the Company went public and its shares started to trade at the Dar es Salaam Stock Exchange. During the year 2021, shares of the Company were continuously traded in the secondary market through auctions organised by the Dar es Salaam Stock Exchange (DSE). In the year 2021, the performance of the Company's shares in the secondary market was as follows: Market capitalisation as at 31 December 2021 was TZS 611.7 billion (2020: TZS 467.8 billion). The share price prevailing as at 31 December 2021 was TZS 3,400 per share, compared to TZS 2,600 one year earlier (IPO price was TZS 435 per share).

### 29. SHAREHOLDERS OF THE COMPANY

The total number of shareholders as at 31 December 2021 was 9,354 shareholders (2020: 9,402 shareholders), with 179,923,100 ordinary shares (2020: 179,923,100 ordinary shares).

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)

The following were the ten largest shareholders of the Company:

Name	Nationality	2021 %shareholding	2020 %shareholding
Scancem International DA	Norwegian	69.25	69.25
Public Service Social Security Fund	Tanzanian	6.16	6.16
Standard Chartered Bank Uganda	Ugandan	5.28	5.28
National Social Security Fund	Tanzanian	1.24	1.24
Umoja Unit Trust Scheme	Tanzanian	0.92	0.92
Murtaza Basheer Nasser	Tanzanian	0.90	0.90
JPMCB-LB Designated First Rank Bank LTD	South African	0.85	1.36
African Lions Fund LTD	Tanzanian	0.62	0.29
Sayed H. Kadri/Basharat Kadro/Mehboob Kadri/ Khalid/Muzammil Kadri	Tanzanian	0.59	0.59
Said Salim Awadh Bakhresa	Tanzanian	0.51	0.51

### 30. AUDITORS

PricewaterhouseCoopers (PwC) was appointed to be the Company's auditor for the year 2021. PwC has also expressed willingness to continue with the appointment and is eligible to apply for re-appointment. A resolution proposing the appointment of the auditor for the next financial year will be put in the Annual General Meeting.

### 31. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislation relevant to the Company.

#### By order of the Board of those charged with Governance

Approved by the Board of Directors on 12 April 2022 and signed on its behalf by:

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: RUTH ZAIPUNA Title: DIRECTOR Signature: 



"Team  
work and  
delivering  
quality  
services to  
our  
customers  
is our top  
priority"





Twiga Cement team,  
Administration & Sales



## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI

Wakurugenzi wanawasilisha taarifa yao pamoja na hesabu za Kampuni ya Tanzania Portland Cement Public Company Limited ("Kampuni" au "TPCPLC") zilizokaguliwa kwa mwaka ulioishia tarehe 31 Desemba 2021.

### 1. KUSAJILIWA

Kampuni imesajiliwa Tanzania chini ya Sheria za Makampuni ya mwaka 2002 kama kampuni inayomilikiwa kwa hisa.

### 2. MAONO YA KAMPUNI

Kujenga chapa imara, kuwa kinara katika soko na kuwa chaguo la kwanza kwa watumiaji wa saruji Tanzania

### 3. MWONGOZO WA KAMPUNI

Kuwaridhisha wateja kwa kuwapa bidhaa na huduma zenye ubora wa kiwango cha juu kwa gharama nafuu.

### 4. SHUGHULI KUU

Shughuli kuu ya kampuni katika mwaka unaomalizika ilikuwa ni uzalishaji wa saruji katika kiwanda chake kilichopo Dar es Salaam, Tegeta – Wazo Hill na uuzaji wa saruji ndani na nje ya mipaka ya Jamhuri ya Muungano wa Tanzania.

### 5. SERA BORA

Tunafanikiwa pale wateja wetu wanapofanikiwa. Kampuni ya saruji Tanzania (TPCPLC) inachangia mafanikio ya wateja kwa kuwapa bidhaa wanazotaka na wanazohitaji. Tunajitahidi kufikia matarajio ya wateja wetu kwa kuhakikisha huduma na ubora wa bidhaa zetu unakidhi viwango vinavyokubalika na unakuwa endelevu, na kuboreshwa mara kwa mara ili kufikia matarajio ya wateja wetu. Ni lengo kuu la kila mfanyakazi kuifanya TPCPLC na chapa 'Twiga Cement' maarufu kwa saruji bora. Fursa hii inaturuhusu kufikia uongozi katika soko.

"Ubora halisi unapatikana  
Twiga Cement"



## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 6. WAKURUGENZI

Wakurugenzi wa kampuni ambao wamehudumu katika mwaka unaomalizika, na mpaka muda wa taarifa hii ni hawa wafuatao:

Jina	Cheo	Uraua	Umri	Taaluma
Bw. Hakan Gurdal	Mwenyekiti	Mturuki	53	Mhandisi, MBA
Bw. Gary Whitehead	Mkurugenzi	Mwingereza	51	FCCA
Bw. Dominik Michel	Mkurugenzi	Mjerumani	46	Shahada BA
Bw. Alfonso Velez	Mkurugenzi Mtendaji	Mhispania	53	MBA
Bw. Oswald Martin Urassa	Mkurugenzi	Mtanzania	57	B.com, MBA, CPA(T)
Bi. Ruth Henry Zaipuna	Mkurugenzi	Mtanzania	48	B.com, MBA, CPA(T)
Bw. Francesco Brambilla	Mkurugenzi	Muitaliano	50	Mhandisi

Wajumbe wote wa Bodi siyo watendaji katika kampuni isipokuwa Bw. Alfonso Velez, ambaye ni Mkurugenzi Mtendaji.

Katibu wa Kampuni kwa mwaka ulioishia 31 Desemba 2021 alikuwa Bw. Brian Kangetta (Mkenya), umri miaka 44.

Bodi ilimteua Bw. Dominik Michel kuwa mkurugenzi kuanzia tarehe 24 Novemba 2021. Dominik Michel ana ujuzi na uzoefu wa kutosha katika sekta ya uzalishaji wa saruji wa zaidi ya miaka 21. Dominik Michel anachukua nafasi ya Gary Whitehead ambaye alistaafu kuanzia tarehe 24 Novemba 2021.

### 7. KAMATI YA UKAGUZI

Wajumbe wa kamati ya ukaguzi waliohudumu katika mwaka huu wa fedha walikuwa:

Jina	Uraia	Taaluma
Bw. Gary Whitehead (retired)	Mwingereza	FCCA
Bw. Dominik Michel	Mjerumani	Shahada BA
Bi. Ruth Henry Zaipuna	Mtanzania	B.com, MBA, CPA(T)

### 8. DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

Jina	Idadi ya Hisa	
	2021	2020
Bw. Oswald Martin Urassa	500	500



## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 9. MALIPO YA WAKURUGENZI

Kampuni ililipa jumla ya TZS 115.3milioni (2020: TZS 112.4 milioni) kwa huduma zilizotolewa na wakurugenzi na wajumbe wa kamati ya ukaguzi.

### 10. UONGOZI WA KAMPUNI

Safu ya uongozi wa kampuni kwa mwaka ulioishia 31 Desemba 2021 ilikuwa kama ifuatavyo:

Jina	Cheo
Bw. Alfonso Velez	Mkurugenzi Mtendaji
Bw. Peter James	Mkurugenzi wa Fedha
Bi. Evaline Mushi	Mkurugenzi Rasilimali Watu
Bw. Yves Mataigne	Mkurugenzi wa Biashara
Bw. Ahmed Elsayy	Meneja Mitambo
Bw. Richard Magoda	Meneja Mazingira
Bw. Jerome Mwakabaga	Meneja Afya na Usalama
Bw. Ian Dobson	Mkurugenzi wa Manunuzi

Kampuni ina kitengo huru cha ukaguzi wa ndani ambacho kinawajibika moja kwa moja kwa Kamati ya Ukaguzi. Kitengo hiki cha ukaguzi na uhakiki wa ubora kinaongozwa na Gregory Ndimbo.

### 11. TATHMINI YA BIASHARA

Uzalishaji wa klinka uliongezeka kwa asilimia 2.8 ukilinganishwa na mwaka 2020 na uzalishaji wa saruji uliongezeka kwa asilimia 6.8% ukilinganishwa na mwaka 2020, kutokana na ufanisi wa mashine zilizopo na ongezeko la mahitaji ya saruji sokoni.

Kiasi cha mauzo kiliongezeka kwa asilimia 6.6 kikilinganishwa na mwaka 2020. Mauzo yaliongezeka kutoka shilingi bilioni 393.7 mwaka 2020 hadi shilingi bilioni 449.5 mwaka 2021, hii ikiwa ni ongezeko la asilimia 14.2. Ongezeko hili la mauzo lilisababishwa na ukuaji wa soko na ufanisi wa utendaji.

Gharama za uzalishaji ziliongezeka kwa asilimia 12.2 ikilinganishwa na mwaka 2020. Ongezeko hili lilitokana na ongezeko la gharama za malighafi lililokana na ongezeko la uzalishaji na gharama za

usambazaji kutokana na saruji iliyokuwa inapelekwa kwa wateja.

Kampuni ilipata faida ya uendeshaji ya shilingi bilioni 125.6 bilioni ikilinganishwa na shilingi bilioni 104.9 mwaka 2020, ni sawa na ongezeko la asilimia 19.7. Ongezeko la faida ya uendeshaji lilitokana na utendaji bora. Faida kabla ya kodi iliongezeka kutoka shilingi bilioni 107.4 bilioni mwaka 2020 hadi kufikia shilingi bilioni 128.0 mwaka 2021.

Baada ya kutoa kodi ya shilingi bilioni 39.6 (2020:shilingi bilioni 32.8), faida iliyobaki ilikuwa shilingi bilioni 88.5 (2020:shilingi bilioni 74.7). Jumla kuu ya mapato ilifikia shilingi bilioni 87.4 (2020: shilingi bilioni 75.7).

## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### Mtazamo wa kigedha wa Tanzania Portland Cement PLC

"TZS Milioni"	2021	2020
<b>Taarifa ya Mapato na Matumizi</b>		
Mapato	449,509	393,740
Faida za shughuli za biashara	125,582	104,945
Faida halisi baada ya kodi	88,482	74,676
Mapato kwa kila hisa (TZS/hisa)	492	415
Gawio kwa kila hisa lililopendekezwa/kulipwa (TZS/Hisa)	390	390

### Uwekezaji na Uchakavu

Uwekezaji katika mali za kudumu zinazoonekana (PPE)	27,820	12,346
Uchakavu wa mali za kudumu	(18,666)	(17,297)

### Hali ya Kifedha

Rasilimali za kudumu	148,636	140,772
Rasilimali za muda	230,678	212,433
Mtaji wa Akiba	272,236	255,001
Dhima za kudumu	19,545	21,842
Dhima za muda	87,533	76,361
Jumla ya Rasilimali	379,314	353,204
Madeni Halisi [(+) inamaanisha deni]	(30,667)	(35,091)

### Uwiano

Kiwango cha mapato ya uendeshaji (OI)	28%	27%
Madeni hali/Dhima za wahanisa	0.0%	0.0%
Madeni halisi/OI	0.00x	0.00x

### Non-Financial Figures:

Idadi ya wafanyikazi kufikia tarehe 31 Desemba	260	257
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Taarifa zaidi za mwenendo wa kifedha zinapatikana ukurasa wa 82.

## 12. MATARAJIO YA KAMPUNI KWA SIKU ZIJAZO

Mahitaji ya saruji nchini na eneo la Afrika ya Mashariki yamekuwa yakiongezeka kwa miaka ya hivi karibuni. Kampuni imewekeza kwenye mitambo ya kuongeza uwezo wa uzalishaji, ukarabati wa matanuru ya zamani ya kuzalisha klinka pamoja na upatikanaji mzuri na wa kimkakati wa malighafi ikiwa pamoja na kupata machimbo ya malighafi ili kukidhi mahitaji ya vipindi vijavyo. Mtazamo wa ziada umewekwa kwenye miradi ambayo itaongeza uwezo wa uzalishaji na kupunguza uzalishaji wa CO<sub>2</sub> kupitia matumizi ya nishati ya mbadala. Miradi hii ni pamoja na"

Ukarabati wa mtambo wa kutengeneza saruji (CM2) na Cement Kiln Dust (CKD). Miradi hii ilikamilika mwaka 2021 na itasaidia kuboresha uwezo wa uzalishaji wa kampuni. Wakurugenzi wanaamini kwamba kampuni iko katika nafasi nzuri ya kukidhi ongezeko la mahitaji katika soko.

Mradi wa nishati Mbadala, unaotarajiwa kukamilika mwaka wa 2022, utahakikisha ongezeko la matumizi ya nishati mbadala (kwa kutumia biomass), hivyo kupunguza hewa chafu ya CO<sub>2</sub> na gharama za uzalisaji. Uongozi umejikita katika uzalishaji endelevu na kupunguza uzalishaji wa hewa chafu ya CO<sub>2</sub>.

## 13. UWEZO WA KULIPA

Wakurugenzi wamefanya tathmini ya kina juu ya hali ya kifedha ya Kampuni ikiwa ni pamoja na madeni ya muda mrefu na muda mfupi. Kutokana na tathmini hii na kwa kuzingatia mpango wa biashara uliopo, Wakurugenzi wameridhika kwamba kampuni ina uwezo wa kuendesha shughuli zake bila matatizo yoyote kulingana na Sheria ya Makampuni ya mwaka 2002 na kanuni za kimataifa za uhasibu (IFRS).



## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 14. MPANGO WA UDHIBITI WA MAZINGIRA

#### Uboreshaji wa Machimbo

Shughuli za uchimbaji zinaweza kuwa na athari kwenye mazingira ikizingatia udongo hutolewa na mwonekano wa ardhi unabadilika au mifumo ya ikolojia na vyanzo vya maji kuathiriwa. Wakati au baada ya uchimbaji, uboreshaji wa mandhari ya ardhi iliyochimbwa hufanyika na kuhakikisha maisha ya viumbe hai yanatunzwa na kuimarishwa. Uboreshaji wa mazingira unategemea sana hali ya eneo husika, ushirikiano na watu mbalimbali, wataalamu na motisha ya Kampuni.

Shughuli za uchimbaji zinaendeshwa kwa kufuata sera ya mazingira ya Kampuni inayotilia mkazo zaidi katika kutunza asili ya machimbo. TPCPLC ina onyesha dhamira yake katika kuboresha mazingira ya machimbo, kusaidia shughuli za uhifadhi wa mazingira, na kuijengea uwezo jamii inayozunguka kiwanda na wadau wengine ili kujenga jamii inayojali mazingira. Wadau mbalimbali walihusika katika nyanja mbalimbali za upandaji miti, utoaji wa elimu ya mazingira na mafunzo, usambazaji wa miti kwa jumuiya. Kampuni inafanya kazi kwa karibu na watafiti wa mbegu kutoka Mamlaka ya Taifa ya Mbegu za Mti (TISA) na wanasayansi kutoka Chuo Kikuu cha Dar Es Salaam (UDSM), wataalamu wa mazingira kutoka kampuni tanzu HeidelbergCement ya Ujerumani na wale wanaojitolea kutoka ndani na nje ya Tanzania.





## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 14. MPANGO WA UDHIBITI WA MAZINGIRA (Inaendelea)

Hadi kufikia tarehe 31 Desemba 2021, takribani hekta 18 za machimbo zilikuwa zimeboreshwa, jumla ya miche 349,026 ilikuwa imeshaoteshwa kwenye vitalu na jumla ya miti 72,628 ilikuwa imeshapandwa, yenye uwezekano wa kuishi kwa kiwango cha asilimia 86.72. Jumla ya miti 540 ilipandwa kwa mara nyingine na miche 19,290 iligawiwa kwa wadau mbalimbali. Mpaka kufikia mwisho wa mwaka 2021, jumla ya miti 189,668 iligawiwa kwa wadau mbalimbali.

Miti hatarishi aina ya *Leucaena leucocephala* iliweza kuondolewa katika machimbo ili kuweza kupanda miti yenye manufaa kwa matumizi ya baadaye. Jumla ya miti 5,134 ilikatwa ikiwa ni pamoja na *Leucaena leucocephala* (Lusina), *Senna Siamea* (Johoro), *Azadirachta Indica* (Mwarobaini), *Gmelina Arborea* and *Peltophorum Pterocarpum*. Ikapandwa miti asili kama mkangazi, mkongo, mgunga, mitiki, mkwaju, mbuyu na mkenge. Kampuni inaelewa wajibu wake kwa wakazi na jamii nzima na fursa iliyonayo kuhakikisha uchimbaji wa mawe hauathiri mazingira.

Tangu kuanza kwa mradi huu, TPCPLC imefanya matukio sita ya kuongeza uelewa na kujenga uwezo katika machimbo ya TPCPLC kwa wageni, hasa vikundi vya vijana na wanafunzi, kwa imani kwamba kupitia Elimu ya Mazingira wanafunzi wanaweza kuwa mawakala wa mabadiliko na wafanya maamuzi ya baadaye juu ya matumizi endelevu ya bioanuwai.

#### ISO 14001:2004 (Mfumo wa udhibiti Mazingira)

Kampuni inaendelea kuzingatia masharti ya viwango vya kimataifa wa ubora wa mazingira ISO 14001:2015 na ukaguzi wa uhakiki masharti ya viwango vya kimataifa vya mazingira ulifanyika mwaka 2019. Kampuni inaendelea kuboresha mfumo wake wa uhifadhi wa mazingira kwa kwenda sambamba na maendeleo ya uhifadhi mazingira na malengo ilijiwekea kufuatana na mahitaji ya kitaifa na HeidelbergCement.





## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 15. AFYA NA USALAMA

Kampuni inaendelea kuweka mkazo wa hali ya juu katika afya na usalama kazini. Pamoja na maboresho ya kiufundi na viwango vya usalama, katika mwaka 2021 Kampuni imeendelea kuongeza jitihada katika kuboresha utendaji kwenye afya na usalama kwa kufanya tathmini ya mambo hatarishi na programu nyingine katika nyanja hii ili kuboresha afya na mazingira bora kwa wafanyakazi, wakandarasi na wadau wengine wa Kampuni.

Ili kufikia kiwango cha juu cha ubora wa afya na usalama kazini, uongozi utaendelea kuweka msisitizo kwenye afya na usalama wa wafanyakazi na watoa huduma, wajibu wa kijamii, kwani jukumu la afya na usalama kazini ni sehemu muhimu kwa Kampuni. Lengo la Kampuni ni kuhakikisha kutokuwepo kwa ajali ambazo zinaweza sababisha vifo, majeraha au ulemavu wa kudumu na kupunguza upotevu wa muda utokanao na ajali. Ili kuboresha utendaji wetu kila wakati, tunadhibiti Afya na Usalama kupitia zana zinazofaa za usimamizi kama vile Sera ya OH&S yenye Kanuni za Kadinali na Viwango vya OH&S. Viwango hivi vinashughulikia mada muhimu za kiufundi na za kampuni.

Kampuni inatekeleza mfumo wa kuratibu masuala ya afya na usalama mahali pa kazi (OHSMS) kama sehemu ya mkakati wa kudhibiti vihatarishi na ina cheti cha kiwango cha (ISO 45001:2018 certification). Kampuni inahakikisha kuwa kanuni, sheria na miongozo ya ndani, kanda, taifa na ya kimataifa kuhusiana na afya na usalama inazingatiwa.



## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 16. MATUKIO MAKUU

Hapakuwa na matukio makubwa wakati wa mwaka.

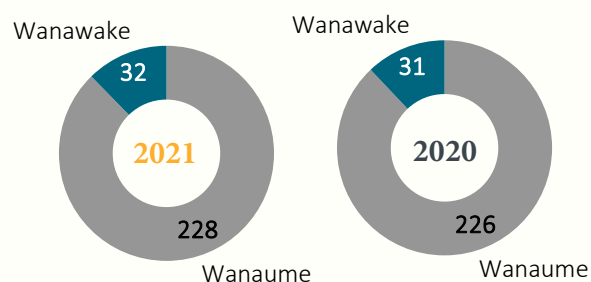
### 17. USTAWI WA WAFANYAKAZI

#### a. Uhusiano kati ya Uongozi na Wafanyakazi

Mahusiano kati ya wafanyakazi na Uongozi wa kampuni kwa mwaka ulioisha tarehe 31 Desemba 2021 yameendelea kuwa mazuri. Hapakuwepo na malalamiko yaliyotoka kwa wafanyakazi ambayo hayakufanyiwa kazi na Uongozi kwa kipindi kizima cha mwaka. Mahusiano mazuri yanaendelea kuwepo kati ya Uongozi wa Kampuni na umoja wa wafanyakazi. Mkataba wa hiari uliyoingia baina ya Chama cha Wafanyakazi wa Viwanda na Biashara (TUICO) na Kampuni yanasimamia mahusiano kati ya Uongozi wa Kampuni na wafanyakazi.

#### b. Idadi ya Wafanyakazi na Uwiano wa Kijinsia

Mpaka kufikia Desemba 31, 2021, Kampuni ilikuwa na wafanyakazi 260, kati yao wanawake wakiwa 32 na wanaume 228 (2020: Jumla 257; wanawake 31 na wanaume 226).



#### c. Huduma za Matibabu

Kampuni inatoa bima ya afya kwa wafanyakazi wake wote na familia zao.

#### d. Usalama wa Kiwandani

Kampuni inayo idara ya afya na usalama inayohakikisha kwamba masuala ya usalama yanafuatiliwa. Kampuni ina miundombinu na vifaa sahihi ambavyo vinakidhi matakwa yaliyo kwenye Sheria ya Afya na Usalama Kazini, 2003 na miongozo mingine inayohusu usalama kazini kama vile cheti cha ISO 45001:2018.

#### e. Mafunzo

Kampuni imewekeza katika kuendeleza wafanyakazi wake ikiwa ni pamoja na kuajiri na kutoa mafunzo kwa watu wenye sifa. Utaalamu wa kiufundi na utawala ni muhimu katika kuhakikisha usimamiaji wa shughuli za kiwanda kwa kutumia teknolojia sahihi. Mwaka huu kama Kampuni tumeelekeza nguvu zetu katika afya na usalama mahali pa kazi, kufuata miongozo ya kampuni mama, usimamiaji wa fedha, ubora na kuendeleza viongozi.

Kampuni ilishirikiana na Mamlaka ya Vyuo vya Ufundi Stadi (VETA) katika kutengeneza mtaala wa majaribio kwa mafundi umeme. Baadhi ya wafanyakazi wa Kampuni wameingizwa katika mpango huu wa miaka miwili ili kuongeza ujuzi wao.

#### f. Mishahara na Mafao ya Wafanyakazi

Viwango vya mishahara ya wafanyakazi hurekebishwa kila mwaka kwa kuzingatia uwezo wa kifedha baada ya majadiliano kati ya TUICO na uongozi wa Kampuni.

Wafanyakazi ni wanachama wa Mfuko wa Hifadhi ya Jamii (NSSF). Kampuni huchangia 10% ya jumla ya mishahara na marupurupu mengine kwa wale wanachama wa NSSF. Pamoja na kuchangia kwenye mifuko hii miwili, upo mpango wa pili wa pensheni kwa ajili ya kuboresha mafao ya uzeeni ya wafanyakazi wote ambao Kampuni huchangia 10% ya mishahara wa kila mfunyakazi.

#### g. Fursa sawa na watu wenye ulemavu

Sera ya Kampuni ni kutoa fursa sawa za ajira kwa watu wote. Kampuni hutoa fursa za ajira kwa watu wote bila ubaguzi wa aina yoyote na bila upendeleo wa kijinsia, kabila, dini, kuoa au kuolewa.

Pia Kampuni hutoa fursa sawa kwa watu wenye ulemavu kujaza nafasi za kazi ili mradi ulemavu si kikwazo katika utekelezaji wa majukumu yanayoambatana na nafasi husika.



## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 18. UTAWALA BORA

#### a. Kanuni za Utawala bora

Kampuni inafuata kanuni za utawala bora na Bodi inaona kwamba Kampuni inatimiza kanuni za utawala bora kama zilivyoainishwa na Soko la Hisa na Mitaji.

#### b. Bodi ya Wakurugenzi

Bodi ina wakurugenzi sita; watano wasio watendaji na mmoja ni Mkurugenzi Mtendaji. Kazi za Mwenyekiti na Mkurugenzi Mtendaji zimetenganishwa. Bodi inawajibika kwa wanahisa katika uongozi wa Kampuni, kuweka mikakati na sera, kufuatilia ufanisi wa uendeshaji, usimamizi wa maeneo hatarishi na kuweka ngazi za madaraka. Katika mwaka huu wa fedha, Bodi ilikutana mara tatu katika mwaka 2021 (2020: mara tatu).

#### c. Kamati ya Ukaguzi

Katika kutekeleza majukumu yake kuhusiana na utoaji wa taarifa za fedha, utekelezaji wa matakwa mbalimbali, udhibiti wa maeneo hatarishi, mifumo ya kijasibu na mfumo wa usimamizi wa habari, bodi inasaidiwa na Kamati ya Ukaguzi. Kamati hiyo inaongozwa na mmoja wa wakurugenzi wasio watendaji. Mikutano ya kamati inafanyika mara kadhaa na inahudhuriwa na viongozi waandamizi na wakaguzi wa nje wa mahesabu wa Kampuni inapobidi. Katika mwaka huu wa fedha, Kamati ya Ukaguzi ilikutana mara tatu katika mwaka 2021 (2020: mara tatu).

#### d. Tathmini ya Ufanisi wa Kazi na Tuzo

Kampuni ina mfumo wa tathmini ya kazi na malipo ya bonasi kwa mameneja wake na wafanyakazi. Tuzo kwa namna ya bonasi za mwaka zinategemea ufanisi wa Kampuni na ufanisi wa mfanyakazi kulingana na malengo yaliyowekwa.

#### e. Udhibiti wa maeneo hatarishi na udhibiti wa ndani

Muundo wa Kampuni unajumuisha idara ya ukaguzi wa ndani. Mkaguzi wa ndani anawajibika kutayarisha na kutekeleza mpango wa ukaguzi wa ndani ambao utatathmini kama Kampuni inatekeleza sera na utaratibu, utoshelevu wa udhibiti wa ndani, usimamizi wa maeneo hatarishi na uwezekano wa kuboresha utendaji. Pia Kampuni inafaidika na ukaguzi wa ndani unaofanywa mara kwa mara na wakaguzi wa kutoka kwa mwanahisa mkuu.

#### f. Maadili ya biashara na ukamilifu wa muundo

Suala la utawala bora na uadilifu ni muhimu kudhihirika kwa wadau na wanahisa kwa kampuni iliyoorodheshwa kwenye soko la hisa. Kampuni inajitahidi kuhakikisha kwamba maadili na mienendo ya kitaalamu vinazingatiwa wakati wote. Kampuni imetayarisha miongozo ya maadili kwa wafanyakazi wake ili kupunguza madhara yatokanayo na ukiukwaji wake. Kampuni inafuata miongozo ya maadili ya biashara ya Kampuni mama kwa hiyo kila mfanyakazi amesaini tamko la kukubaliana na miongozo hii.

#### g. Kutoa taarifa za uongozi, taarifa za fedha na ukaguzi

Kampuni imeandaa utaratibu wa kutoa taarifa za uongozi ambazo zinajumuisha uandaaji mipango mkakati na bajeti za mwaka. Taarifa halisi za fedha hutolewa kila mwezi zikilinganishwa na bajeti, makisio ya mwaka uliopita. Taarifa za fedha hutolewa kulingana na kanuni za kimataifa za utoaji taarifa za fedha (IFRS) na huchapishwa mara mbili kwa mwaka kulingana na taratibu za Soko la hisa la Dar es Salaam. Hesabu za kila mwaka wa fedha hukaguliwa na wakaguzi wa nje wa kampuni.

## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 19. UDHIBITI WA MAENEO HATARISHI

Bodi ina wajibu wa mwisho wa kuweka mifumo ya udhibiti ya ndani na maeneo hatarishi kwa Kampuni. Bodi imeupa uongozi wa Kampuni jukumu la kuweka, kusimamia na kuendeleza mifumo thabiti ya udhibiti wa fedha na uendeshaji ili kuhakikisha kunakuwepo ufanisi katika uendeshaji wa shughuli za Kampuni muda wote.

Hii itahakikisha:

- Rasilimali za Kampuni zinasimamiwa na kulindwa;
- Sheria na kanuni zilizowekwa zinafuatwa;
- Ubora wa kumbukumbu na nyaraka za kiuhasibu;
- Shughuli endelevu za kibiashara; na
- Tabia ya uwajibikaji kwa wadau wote wa Kampuni.

#### a. Maeneo hatarishi ya uendeshaji

Nishati ni muhimu sana katika uendeshaji wa shughuli za Kampuni. Kwa hiyo, upatikanaji na bei ya nishati vinaweza kuwa na athari kubwa kwa Kampuni. Kwa miaka yote Kampuni imekuwa ikitegemea nishati ya umeme kutoka katika Shirika la Ugavi wa Umeme Tanzania (TANESCO). Upatikanaji wa umeme umekuwa si wa uhakika na hivyo basi kuathiri ufukiaji wa malengo ya uzalishaji. Ili kuhakikisha upatikanaji wa nishati ya umeme, Kampuni inategemea kuangalia vyanzo vingine mbadala vya nishati.

Uzalishaji wa saruji huanzia katika machimbo ya mawe ya chokaa yanayomilikiwa na Kampuni. Chokaa ikichanganywa na udongo mwekundu hutengeneza malighafi ambayo hupitishwa katiak tanuru ili kutengeneza klinka. Usagaji wa saruji ni hatua ya mwisho katika utengezaji wa saruji. Kwenye vinu vya kusaga saruji, mchanganyiko wa wa klinka, gypsum na chokaa (kutegemea na mahitaji ya soko). Upatikanaji wa machimbo ya mawe ya chokaa ni muhimu katika kuhakikisha shughuli za uzalishaji wa saruji unakuwa endelevu. Kampuni imejidhatiti katika kuhakikisha uwepo wa mawe ya chokaa ya kutosha.

Vifaa vya ujenzi hupitia mchakato thabiti wa viwango. Usambazaji bidhaa za viwango duni au ambazo hazikidhi matakwa ya wateja unaweza kuathiri mauzo ya Kampuni, sifa ya Kampuni, mahusiano na wateja na pia inaweza kusababisha fidia na mashtaka dhidi ya Kampuni. Kuepukana na athari hizo, Kampuni inahakikisha kwamba inazalisha saruji inayofikia viwango vinavyokubalika kupitia maabara zake na hatimaye kuthibitishwa na Mamlaka ya Viwango Tanzania (TBS) (Cheti cha ISO 9001).

#### b. Maeneo hatarishi katika soko

Viwanda vipya vya saruji vinajengwa na baadhi vinakaribia kukamilika. Hii inategemea kuleta ushindani mkubwa katika soko. Katika kukabiliana na ushindani huu, Kampuni inajivunia ubora wa bidhaa zake, utaalamu na uwezo wa wafanyakazi na uongozi bora uliopo ili kukabiliana na ushindani.

#### c. Maeneo hatarishi katika masuala ya fedha

Athari kubwa kwa upande wa fedha zinaweza kulewa na thamani ya sarafu. Kampuni hufanya biashara kutumia sarafu ya Tanzania ambayo thamani yake imekuwa ikishuka dhidi ya sarafu kuu za kimataifa. Hii inaweza kusababisha Kampuni kupata hasara itokanayo na ubadilishaji wa fedha za kigeni. Uongozi wa Kampuni hufuatilia kwa umakini thamani ya sarafu ya Tanzania na kuchukua maamuzi sahihi pale inapohitajika ili kupunguza athari zitokanazo na ubadilishaji wa fedha. Rejea aya ya 43 ya taarifa ya hesabu.

#### d. Kutofuata sheria na kanuni

Ukiukaji wa sheria na kanuni unaweza kuiweka Kampuni kwenye hatari kubwa kifedha na kuharibu sifa ya Kampuni. Kampuni imeweka hatua za kuhakikisha kuwa mabadiliko ya sheria na kanuni yanatambuliwa na kufuatiliwa kwa wakati.



## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 20. UWEZO NA RASILIMALI ZA KAMPUNI

Ili kufikia malengo yetu, Kampuni hutegemea rasilimali (zinazoonekana na zisizoonekana) kama ifuatavyo:

#### a. Uwezo wa Uongozi na Wafanyakazi

Rasilimali watu ni kati ya rasilimali muhimu sana kwa Kampuni. Uendeshaji wa Kampuni husimamiwa na timu iliyohitimu na yenye uzoefu wa kuendesha shughuli za kila siku ili kuweza kufikia malengo ya Kampuni. Timu hii ya uongozi inasaidiwa na wafanyakazi wenye uzoefu kwenye teknolojia ya saruji. Kampuni huajiri waliohitimu na wenye uzoefu wa kutosha na pia imewekeza katika kutoa mafunzo kwa wafanyakazi wake.

#### b. Bidhaa Bora

Saruji chapa Twiga (Twiga Cement) inajulikana sana katika soko na umaarufu wake unatokana na ubora wake. Taswira na ubora wa bidhaa zetu vinatupa fursa nzuri kwenye soko. Ili kukidhi matakwa ya viwango vya ubora katika soko la saruji, Kampuni inatengeneza aina nne (4) za saruji: - Twiga Ordinary (CEM I 42.5), Twiga Plus (CEM IIB-L42.5N), Twiga Extra (CEM IIB-L32.5R) na Twiga Jenga (MC-22X) na Twiga Super (CEM IIB-L 32.5N). Ubora wa bidhaa zetu zinazozalishwa hudumishwa kupitia upimaji thabiti wa ubora wa malighafi zote katika kila hatua ya uzalishaji.

#### c. Mtandao Imara wa Usambazaji

Bidhaa zetu zimeweza kufika sehemu nyingi nchini kutokana na mtandao madhubuti wa usambazaji na uwepo wa magari yanayomilikiwa na wasambazaji wetu. Kampuni pia huuza saruji katika baadhi ya nchi za jirani katika Afrika ya Kati na Afrika Mashariki.

#### d. Nafasi katika Soko

Saruji ya Twiga ni bidhaa inayopendwa na hii inafanya Kampuni kushika uongozi katika soko la saruji. Nafasi yetu ya uongozi katika soko inatiwa msukumo na

kuwa karibu na soko kuu la saruji la Dar es Salaam.

#### e. Msaada wa Kiufundi

Kampuni Mama HeidelbergCement AG, inaongoza katika soko la kokoto duniani na ni mdau mkubwa katika uzalishaji wa saruji, zege na shughuli nyinginezo zinazohusiana na hizi. Hii inaifanya HeidelbergCement AG kuwa kati ya watengenezaji wakubwa wa malighafi za ujenzi duniani. Kampuni inafaidika na huduma bora za kitaalamu na kiufundi kwenye biashara ya saruji kutoka HeidelbergCement AG.

#### f. Teknolojia na Uvumbuzin

##### • Uboreshaji wa Teknolojia ya Mitambo

Kampuni inaendelea kuwekeza kwenye teknolojia ya kisasa ikiwa ni pamoja na kuongeza uwezo wa uzalishaji wa kiwanda. Hivyo kuongeza ufanisi wa uzalishaji, ubora, kupunguza matumizi ya nishati na kutunza mazingira. Mwaka 2021, hatua zilichukuliwa kukarabati kinu cha saruji namba 2, miradi ya CKD na kuanza kwa mradi wa nishati mbadala. Pia maboresho ya kinu cha saruji namba 4 na 5 na matanuru ya klinka namba 3 na 4.

##### • Digitali

Kampuni inasonga zaidi kuelekea uwekaji digitali, ikilenga zaidi matumizi yake katika biashara. Hii itasaidia kuboresha michakato na kubadilisha njia ambayo TPCPLC inashirikiana na wadau wake. Kampuni inaendelea kuwa mstari wa mbele katika kuhakikisha inazingatia mahitaji ya wateja wake.

#### g. Akiba ya chokaa bora

Chokaa ni kati malighafi muhimu katika utengenezaji wa saruji. Kampuni ina akiba ya kutosha ya chokaa kukidhi mahitaji ya utengenezaji wa saruji

## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 21. UHUSIANO NA WADAU

**Wafanyakazi** - kampuni iliweka mipango inayozingatia uboreshaji wa ustawi wa mfanyakazi, kuweka vipaumbele vya afya na usalama na mafunzo ya wafanyakazi. Zaidi ya hayo, kampuni inafanya kazi kwa karibu na chama cha wafanyakazi (TUICO) katika kuhakikisha kuwa masuala yote yanayohusu wafanyakazi yanashughulikiwa. Kampuni imedumisha uhusiano mzuri na TUICO. Uhusiano na wafanyakazi umeainishwa katika aya ya 18 hapo juu.

**Wateja** - kampuni inawazingatia wateja na imejitolea kikamilifu katika kutoa huduma zenye ongezeko la thamani, uzoefu na bidhaa bora kwa wateja. Timu yetu imedhamiria kuongeza ufanisi katika uendeshaji na katika soko.

**Wasambazaji** – hawa hutoa malighafi, huduma, vipuri n.k., ambazo ni muhimu kwa uendeshaji wa mitambo. Kampuni inatoa fursa kwa wote kupitia mchakato wa zabuni, vikao naa wasambazaji, kuwatembelea na masharti nafuu ili kuhakikisha uendeleo wa uendeshaji.

**Jamii** – Kampuni inajishughulisha na mipango kadhaa ambayo inahakikisha kwamba masuala yanayohusu jamii inayoizunguka yanashughulikiwa. Kampuni inahakikisha kwamba inapanga bajeti kwa ajili ya mipango ya jamii katika maeneo ya elimu, huduma za afya, wanawake na watoto.

**Serikali na Wadhibiti** – hawa wanawajibika kwa utoaji wa sera, vibali na leseni. Kampuni inaendelea kufanya kazi kwa karibu na serikali na wadhibiti kupitia mashirika husika na vikao vya umma. Kampuni imeweka mipango ya kuhakikisha kuwa shughuli zake zinazingatia sheria na kanuni mbalimbali zikiwemo mazingira, afya na usalama. Zaidi ya hayo, kampuni inahakikisha kwamba shughuli zake zinakuza maendeleo ya kiuchumi na viwanda nchini.

### 22. MISAADA

Katika mwaka huu, kampuni ilitoa misaada na michango ya hisani yenye thamani ya Shilingi milioni 161.8 (2020: Shilingi milioni 48.2). Hakukuwa na misaada ya kisiasa.

Pamoja na misaada hiyo, Kampuni ilijihusisha na uraia mwema ikilenga zaidi wanawake, huduma za afya, elimu na watoto. Jumla ya Shilingi milioni 91.4 (2020: Shilingi milioni 165.9) zilitumika.

### 23. GAWIO

Wakurugenzi wanapendekeza gawio la Shilingi bilioni 70.17 (Shilingi 390 kwa hisa) kwa wanahisa wake kama gawio la mwisho kwa mwaka 2021. Gawio la mwisho litaidhinishwa na mkutano mkuu wa mwaka na litalipwa mwezi Juni 2022. Mwezi wa Juni mwaka 2021, Kampuni ililipa Shilingi bilioni 70.17 (Shilingi 390 kwa hisa) kama gawio la mwisho la mwaka 2020. Hakukuwa na malipo kwa ajili ya gawio la awali kwa mwaka ulioishia Desemba 2021. Kufikia pendekezo hili, wakurugenzi wamezingatia hali ya kifedha ya Kampuni na mahitaji ya baadaye ya miradi ya uboreshaji.

### 24. MATUKIO YA BAADAYE

Hapakuwa na matukio ya baadaye ambayo yametokea na yanayohitaji kuwekwa wazi au kurekebishwa kwenye taarifa za fedha ambayo yangekuwa na athari kwa taarifa hizo za fedha.



## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

### 25. SHUGHULI NA BIASHARA NA KAMPUNI ZENYE UHUSIANO

Kampuni mama ya TPCPLC ni HeidelbergCement AG, iliyoorodheshwa kwenye soko la fedha la Frankfurt katika Jamhuri ya Shirikisho ya Ujerumani. HeidelbergCement AG inamiliki Scancem International DA ya nchi ya Norway, kwa asilimia 100, ambayo inamiliki asilimia 69.25 ya hisa zote za TPCPLC.

Kampuni huagiza malighafi na mahitaji mengine ya uzalishaji kutoka HC Trading. Maelezo ya shughuli zinazofanyika na Kampuni zenye uhusiano, yapo aya ya 39.

### 26. MTAJI WA HISA

Jumla ya mtaji wa hisa uliotolewa ni hisa za kawaida 179,923,100 (2020: hisa 179,923,100). Hapakuwepo na mabadiliko yoyote ya mtaji wa hisa. Mgawanyo wa hisa za kampuni ni kama ifuatavyo:

Muundo wa mtaji wa Kampuni umeainishwa katika ukurasa namba 83.

Jina	2020 % ya umiliki	2021 % ya umiliki
Scancem International DA	69.25	69.25
General Public	22.78	22.78
Government Pension funds	7.75	7.75
Wazo Hill Saving and Credit Cooperative Society	0.22	0.22
	100.00	100.00

### 27. SERA ZA UHASIBU

Taarifa za fedha zimetayarishwa kwa kuzingatia kuwa Kampuni itaendelea na shughuli zake kwa vipindi vijavyo. Miongozo ya kijasibu imeainishwa kwenye aya ya 3 ya taarifa za fedha na hufanyiwa tathmini kila mwaka ili kuhakikisha kuwa zinaendana na viwango vya kimataifa vya utoaji wa taarifa za fedha (IFRS).

### 28. TAARIFA YA SOKO LA MTAJI

Kampuni iliorodheshwa katika soko la mtaji tarehe 29 Septemba 2006 na hisa zake kuanza kuuzwa kwenye soko la Mitaji ya Dar Es Salaam (DSE). Mwaka 2021 hisa za kampuni zilifanya biashara wakati wote kwenye minada iliyoratibiwa na Soko la Mitaji la Dar Es Salaam (DSE). Mwaka 2021, mwenendo wa hisa za Kampuni kwenye soko la mtaji ilikuwa kama hivi: Thamani ya Kampuni mnamo 31 Desemba 2021 ilikua Shilingi bilioni 611.7 (2020: Shilingi bilioni 467.8). Bei ya hisa mnamo 31 Desemba 2021 ilikua Shilingi 3,400 kwa hisa, ikilinganishwa na bei ya hisa ya Shilingi 2,600 kwa mwaka wa 2020 (Bei katika soko la mwanzo ilikua Shilingi 435 kwa hisa).

### 29. WANAHISA WA KAMPUNI

Idadi ya wanahisa kwa mwaka ulioishia 31 Desemba 2021 ilikuwa 9,354 (2020: wanahisa 9,402), wanaomiliki hisa za kawaida 179,923,100 (2019: 179,923,100).

## TAARIFA YA WALE WANAOHUSIKA NA UONGOZI (Inaendelea)

Ifuatayo ni orodha ya wanahisa wakubwa kumi wa Kampuni:

Jina	Uraia	2021 % ya umiliki	2021 % ya umiliki
Scancem International DA	Mnorwe	69.25	69.25
Public Service Social Security Fund	Mtanzania	6.16	6.16
Standard Chartered Bank Uganda	Mganda	5.28	5.28
National Social Security Fund	Mtanzania	1.24	1.24
Umoja Unit Trust Scheme	Mtanzania	0.92	0.92
Murtaza Basheer Nasser	Mtanzania	0.90	0.90
JPMCB-LB Designated First Rank Bank LTD	Mwafrika ya kusini	0.85	1.36
African Lions Fund LTD	Mtanzania	0.62	0.29
Sayed H. Kadri/Basharat Kadro/Mehboob Kadri/Khalid/Muzammil Kadri	Mtanzania	0.59	0.59
Said Salim Awadh Bakhresa	Mtanzania	0.51	0.51

### 30. WAKAGUZI

PricewaterhouseCoopers (PwC) iliteuliwa kuwa mkaguzi wa Kampuni kwa mwaka 2021. Pia PwC ina nia ya kuendelea kuwa mkaguzi, na wana vigezo kwa kustahili kuomba kuteuliwa tena. Azimio linalopendekeza uteuzi wa mkaguzi wa mwaka ujao wa fedha litawekwa kwenye Mkutano Mkuu Wa Mwaka (AGM).

### 31. WAJIBU WA WALE WANAOHUSIKA NA UTAWALA

Wanachama walio na mamlaka ya usimamizi wanakubali jukumu la kuandaa taarifa hizi za kifedha ambazo zinaonyesha mtazamo wa kweli na wa haki wa Kampuni hadi tarehe ya kuidhinishwa kwa taarifa za kifedha zilizokaguliwa, kwa mujibu wa viwango vinavyotumika, sheria, kanuni na masharti ya kisheria. Wanachama pia wanathibitisha kufuata masharti ya mahitaji ya TFRS 1 na sheria zingine zote za kisheria zinazohusiana na Kampuni.

#### Imetolewa kwa amri ya Bodi ya wanaohusika na Uongozi

Imeidhinishwa na Bodi ya Wakurugenzi tarehe 12 Aprili 2022 na imesainiwa na:

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: RUTH ZAIPUNA Title: DIRECTOR Signature: 











## CORPORATE SOCIAL RESPONSIBILITY

TPCPLC's continues to be committed to the community through various CSR programs.

The areas of focus for TPCPLC's CSR are;

- **Building, architecture, and infrastructure:** providing practical help in the construction of buildings and infrastructure for the benefit of society.
- **Environment, climate, biodiversity:** cooperating with partners in order to preserve and protect environment by promoting climate protection and biological diversity.
- **Education, training and culture:** improving children's chances of succeeding in education by promoting the physical, cognitive, linguistic, and socio-emotional development of students. Promoting culture helps increase creativity, diversity and the quality of life.
- **Emerging events:** contributing to numerous emerging activities if the budget allows, and if the events are in line with the areas of focus of our CSR strategy

During the year 2021, was able to make various CSR contributions to the community;

### ICT and Construction CSR: To the Army (Navy) skills Training Centre located in Kigamboni Dar es salaam

During the year the TPCPLC, in its ICT support programme donated more than 20 used computers to the Navy Seals skills training centre.

TPCPLC also supported the training centre with more than 200 cement bags which went towards the construction of 4 new classrooms and 2 administration offices. The institute is expanding its building structures to accommodate the growing number of recruits.

The training centre has more than 500 new recruits who are being trained in various skills including ICT.



Navy Seals Lieutenants CSR visit at TPC PLC cement plant – Feb 2021.

## CORPORATE SOCIAL RESPONSIBILITY (Continued)

### Charity Works: DogoDogo Centre

In March 2021, Twiga womens group visited the Dogodogo centre in Bunju to commemorate the International Womens Day.

DogoDogo Bunju centre is a branch of the Dogodogo centre street children trust founded as an NGO in Dar es salaam in 1992.

The centre which is under the Catholic missionaries provides shelter and skills training for street children who complete their primary education.

The centre sustains itself through support from donations from institutions both within and outside Tanzania.



TPC PLC donated various items including food and groceries worth of more than Tzs. 5 million to the centre



### Education CSR: Donations to Twiga Secondary School

TPCPLC continues to work with the secondary schools near the cement plant, including Twiga Secondary and Bunju Secondary.

Both schools have at least 1,500 students from poor backgrounds attending free O 'level education provided by the government.

Both schools are in need of floor and wall renovations among many other infrastructures challenges.



In 2021, TPCPLC supported the school with 300 bags of cement to go towards the repair of classroom and construction of new ones.



## CORPORATE SOCIAL RESPONSIBILITY

### Charity Works: Mwandaliwa orphanage

Located in Bunju few kilometers from the cement factory, Mwandaliwa orphanage has more than 100 children at the center between the ages of 3-16yrs.

TPC PLC continue to support the surrounding communities including Mwandaliwa center with water, paving/repairs of roads, food stuff, school essentials, and meet some of the center's infrastructure requirements.

During the year 2021, the Company donated food and groceries worth more than Tzs 5 million to assist the center meet the children's needs during the 3rd quarter of 2021.

The Company also distributed some 50 school bags to the center for their primary school children. The school bags



named 'soma bags' are part of the **recycling** cement bag project the company has launched to assist school children from under privileged backgrounds.



## CORPORATE SOCIAL RESPONSIBILITY (Continued)

### Charity Works: Wazo Catholic Church

Located in Wazo-Kinondoni municipal where the cement plant is, the Wazo catholic church has been a pillar for the communities living around the cement plant.

The church has been in the community for more than 15 years, and in recent years has been expanding its infrastructures to best serve the Christian population in the community.

Old church building for Wazo was demolished in 2019 and the church commenced a new construction project to build a double storey church building. TPC PLC has supported the church since 2019. In 2021, the company donated more than 300 cement bags towards the construction project of this new church building.

### Environment Awareness

TPC PLC works on a range of approaches to educate employees, contractors and the public on the importance of environment awareness.

During the year, more than 20 environment awareness trainings and workshops were provided to employees, contractors, schools, groups, NGOs and government stakeholders.

More than 5,000 tree seedlings from our tree nursery were donated to various schools and NGOs as part of our environment conservation support to the communities.

TPC PLC continues to raise its tree nursery for its quarry rehabilitation and restoration project.



Barracks Primary School Students during a tree planting exercise at the school. Trees donated from TPC PLC tree nursery.



Next section:

# Declarations & Independent Auditor's Report





Dar Es Salaam City, Tanzania  
Tanzanite Bridge, Aerial view



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 DECEMBER 2021

The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of its profit or loss for the year. 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 and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the annual 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 financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit in accordance with International Financial Reporting Standards (IFRS)

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

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

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: RUTH ZAIPUNA Title: DIRECTOR Signature: 

Date: 12 April 2022

## DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2021

The National Board of Accountants and Auditors (NBAA) according to the powers conferred to it under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied by a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, CAP 212 Act No. 12 of 2002. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Statement of Directors' Responsibilities on the previous page 74.

I Tumaini Ishemo, being the Chief Accountant representing the Head of Finance of Tanzania Portland Cement Public Limited Company hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2021 have been prepared in compliance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002.

I thus confirm that the financial statements give a true and fair view of the financial position and results of Tanzania Portland Cement Public Limited Company as on that date and for the year then ended and that the financial statements have been prepared based on properly maintained financial records.

Signed by: 

Position: CHIEF ACCOUNTANT

NBAA Membership No. **ACPA 2733**

Date: 12 April 2022



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
TANZANIA PORTLAND CEMENT PUBLIC LIMITED  
COMPANY

### THE REPORT ON AUDIT OF THE FINANCIAL STATEMENTS

#### *Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Tanzania Portland Cement Public Limited Company (the Company) as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 12 of 2002.

#### **What we have audited**

The financial statements of Tanzania Portland Cement Public Limited Company as set out on pages 82 to 130 comprise:

- Statement of financial position as at 31 December 2021;
- Statement of profit or loss and other comprehensive income for the year then ended;
- Statement of changes in equity for the year then ended;
- Statement of cash flows for the year then ended; and
- The notes to the financial statements, which include significant accounting policies and other explanatory information.

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

#### *Independence*

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of  
TANZANIA PORTLAND CEMENT PUBLIC LIMITED COMPANY

### THE REPORT ON AUDIT OF THE FINANCIAL STATEMENTS (Continued)

#### Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Unresolved tax matters and contingent liabilities</b></p> <p>As described in note 40 of the financial statements, the Company has significant unresolved tax matter with the Tanzania Revenue Authority (TRA) whose outcomes are dependent on future events. The total amount of tax assessed is TZS 40.9 billion of which TZS 13.3 billion has been provided for on the financial statements.</p> <p>The directors, with the assistance of internal and external experts, exercise significant judgement in assessing the possible outcomes of the unresolved matters for financial reporting purposes at the year-end.</p> <p>The actual future outcomes of these matters could be materially different from the directors' judgements and estimates at the year-end.</p>	<p>We obtained understanding of management's process for identification and evaluation of tax exposures from TRA assessments.</p> <p>We examined a list of open tax matters and tax assessments by TRA as at 31 December 2021, and tested the completeness of the list by examining the minutes of the board meetings and legal correspondences between the company and its lawyers.</p> <p>We examined the correspondence between Management and the Tanzania Revenue Authority to assess the reasonableness of management judgements and estimates at the year end.</p> <p>We obtained and assessed advice from management experts to assess the appropriateness of the recorded provisions at year end.</p> <p>We evaluated the adequacy of the disclosures in the financial statements in relation to contingent liabilities and significant judgements applied by directors.</p>

#### Other information

The directors are responsible for the other information. The other information comprises Company information, The Report by Those Charged With Governance, Statement of Directors' responsibilities and Declaration of the head of finance (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Financial highlights, letter of transmittal, Chairman's statement, Managing director's report, Directors' Bibliography, Key management personnel, Corporate social responsibility and proxy form, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the



## INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of

TANZANIA PORTLAND CEMENT PUBLIC LIMITED COMPANY

### THE REPORT ON AUDIT OF THE FINANCIAL STATEMENTS (Continued)

#### *Other information (Continued)*

financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read Financial highlights, letter of transmittal, Chairman's statement, Managing director's report, Directors' Bibliography, Key management personnel, Corporate social responsibility and proxy form, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### *Responsibilities of the directors for the financial statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

#### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of  
TANZANIA PORTLAND CEMENT PUBLIC LIMITED COMPANY

### THE REPORT ON AUDIT OF THE FINANCIAL STATEMENTS (Continued)

#### *Auditor's responsibilities for the audit of the financial statements (Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements

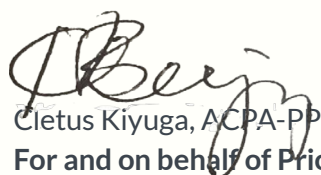
of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### *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 Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002 we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.



Cletus Kiyuga, ACPA-PP

**For and on behalf of PricewaterhouseCoopers**  
Certified Public Accountants  
Dar es Salaam

Date: 9<sup>th</sup> May 2022



Next section:

# Financial Statements





Dar Es Salaam City, Tanzania  
TPCPLC, Raw materials & Quarry  
Aerial view



## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

TZS '000	Notes	2021	2020
Revenue from contracts with customers	7	449,509,301	393,739,558
Cost of sales	9	(293,185,036)	(261,389,401)
<b>Gross profit</b>		<b>156,324,265</b>	<b>132,350,157</b>
Other operating income	8	1,205,920	2,250,391
Selling and marketing expenses	10	(3,010,835)	(2,942,285)
Administrative expenses	11	(23,514,168)	(23,003,381)
Other operating expenses	14	(5,423,601)	(3,709,781)
<b>Operating profit</b>		<b>125,581,581</b>	<b>104,945,101</b>
Finance income	15	3,258,481	1,819,274
Finance costs	16	(611,279)	(1,292,507)
Net (loss)/gain on foreign currency translation	17	(191,595)	1,957,366
<b>Profit before tax</b>		<b>128,037,188</b>	<b>107,429,234</b>
Income tax expense	32	(39,555,603)	(32,752,864)
<b>Profit for the year</b>		<b>88,481,585</b>	<b>74,676,370</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (losses)/gains on defined benefit plan	29	(1,538,346)	1,469,714
Income tax effect	32	461,504	(440,914)
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(1,076,842)</b>	<b>1,028,800</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>87,404,743</b>	<b>75,705,170</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (TZS)	41	492	415

## FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### STATEMENT OF FINANCIAL POSITION

TZS '000	Notes	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18	144,842,101	133,393,148
Intangible assets	19	1,006,537	797,216
Leasehold land	20	1,008,775	1,036,621
Right of Use assets	21	982,483	4,198,644
Other financial assets	25	796,000	1,346,000
		<b>148,635,896</b>	<b>140,771,629</b>
<b>Current assets</b>			
Inventories	22	52,935,487	52,404,781
Trade receivables	23	46,277,317	41,090,916
Other short-term operating receivables	24	16,586,869	14,481,057
Other financial assets	25	600,000	600,000
Cash and cash equivalent	26	114,278,364	103,855,770
		<b>230,678,037</b>	<b>212,432,524</b>
<b>TOTAL ASSETS</b>		<b>379,313,933</b>	<b>353,204,153</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Authorised, issued and fully paid-up share capital	27	3,598,462	3,598,462
Retained earnings		268,637,039	251,402,305
<b>TOTAL EQUITY</b>		<b>272,235,501</b>	<b>255,000,767</b>
<b>Non-current liabilities</b>			
Lease liabilities	28	186,758	1,231,231
Employment benefit liabilities	29	5,306,943	4,062,080
Provision for quarry site restoration	31	2,432,541	2,275,022
Deferred income tax liability	32(iii)	11,618,859	14,273,690
		<b>19,545,101</b>	<b>21,842,023</b>
<b>Current liabilities</b>			
Lease liabilities	28	1,044,405	3,725,915
Current income tax payable	32	28,859	1,013,768
Trade and other payables	33	83,611,599	68,760,196
Interest-bearing loan	35	0	5,021
Dividend payable	38	2,848,468	2,856,463
		<b>87,533,331</b>	<b>76,361,363</b>
<b>TOTAL LIABILITIES</b>		<b>107,078,432</b>	<b>98,203,386</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>379,313,933</b>	<b>353,204,153</b>

These financial statements were authorised for issue in accordance with a resolution of the Board of directors passed on 12 April 2022 and were signed on its behalf by:

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: RUTH ZAIPUNA Title: DIRECTOR Signature: 



## FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### STATEMENT OF CHANGES IN EQUITY

	Share Capital and Share Premium (Note 27) TZS '000	Retained earnings TZS '000	Total Equity TZS '000
As at 01 January 2021	3,598,462	251,402,305	255,000,767
Profit for the year	-	88,481,585	88,481,585
Other comprehensive loss, net of tax	-	(1,076,842)	(1,076,842)
<b>Total comprehensive income, net of tax for the year</b>	<b>-</b>	<b>87,404,743</b>	<b>87,404,743</b>
<b>Transactions with owners in their capacity as owners:</b>			
Dividends (Note 37)	-	(70,170,009)	(70,170,009)
As at 31 December 2021	3,598,462	268,637,039	272,235,501
As at 01 January 2020	3,598,462	227,874,834	255,000,767
Profit for the year	-	74,676,370	88,481,585
Other comprehensive loss, net of tax	-	1,028,800	(1,076,842)
<b>Total comprehensive income, net of tax for the year</b>	<b>-</b>	<b>75,705,170</b>	<b>87,404,743</b>
<b>Transactions with owners in their capacity as owners:</b>			
Dividends (Note 37)	-	(52,177,699)	(52,177,699)
As at 31 December 2020	3,598,462	251,402,305	255,000,767

## FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### STATEMENT OF CASH FLOWS

TZS '000	Notes	2021	2020
<b>Operating activities</b>			
Profit before tax		128,037,188	107,429,234
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	12	18,666,314	17,296,680
Interest expense	16	611,279	1,292,507
Interest income	15	(3,258,481)	(1,819,274)
Net unrealised exchange loss	17	1,089,777	(1,200,760)
Net provision for slow moving and obsolete inventories	9	2,058,943	3,308,933
Increase in site restoration provision	31	157,519	146,645
Post-employment benefit provision	29	656,575	769,788
Expected credit losses for trade receivables	23	(421,078)	(1,040,996)
Gain on disposal of property, plant and equipment	8	(46,610)	(71,063)
<b>Cash flows before changes in working capital items</b>		<b>147,551,426</b>	<b>126,111,694</b>
<b>Working capital adjustments:</b>			
(Increase)/decrease in inventories (excluding provisions).	22	(2,589,649)	7,257,558
Increase/(decrease) in trade receivables	23	(4,765,323)	1,256,948
Increase in other short-term operating receivables	24	(2,105,812)	(3,781,485)
Decrease in other financial assets	25	550,000	8,680,640
Increase/(decrease) in trade and other payables	33	14,851,403	(4,542,354)
Corporation tax paid	32	(42,733,839)	(36,507,255)
Payment to post-employment benefit - Benefit payments	29	(950,058)	(729,625)
Interest received	15	3,258,481	1,819,274
Interest paid -other	16	-	(53,386)
<b>Net cash inflows from operating activities</b>		<b>113,066,629</b>	<b>99,512,009</b>
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		46,610	71,063
Payment for capital works-in-progress	18	(27,820,338)	(12,158,651)
Purchase of capital items in stock	18	(7,929)	(186,890)
<b>Net cash flows used in investing activities</b>		<b>(27,781,657)</b>	<b>(12,274,478)</b>
<b>Financing activities</b>			
Dividends paid		(70,178,005)	(52,538,738)
Payment of liabilities - principal and interest	28	(4,337,262)	(4,337,193)
<b>Net cash flows used in financing activities</b>		<b>(74,515,267)</b>	<b>(56,875,931)</b>
Net increase in cash and cash equivalents		10,769,705	30,361,600
Net foreign exchange difference		(347,111)	809,476
Cash and cash equivalents at 01 January		103,855,770	72,684,694
<b>Cash and cash equivalent at 31 December</b>		<b>114,278,364</b>	<b>103,855,770</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. CORPORATE INFORMATION

The financial statements of Tanzania Portland Cement Public Limited Company ('the Company') for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the Directors as indicated on the statement of financial position. The Company is a Public Limited Company incorporated and domiciled in Tanzania. The Company's shares are publicly traded. The registered office is located at Wazo Hill, Dar es Salaam.

The principal activities of the Company are disclosed in the Report by those charged with governance. Information on its holding Company is provided in Note 39.

### 2. BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except where stated otherwise. The financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest thousand (TZS '000'), except when otherwise indicated. These financial statements cover the year ended 31 December 2021.

#### Statement of compliance

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

#### Going Concern

Financial Statements are prepared on a going concern basis, management has assessed that the going concern assumption is appropriate. Management took into consideration the existing and anticipated effects of the outbreak on the Company's activities and considered all available information about the future for the twelve months from the end of the reporting period.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Revenue recognition

Revenue represents income arising in the course of an entity's ordinary activities, which leads to an increase of economic benefits during the accounting period. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is stated net of value-added tax (VAT). Revenue is primarily derived from the sale of cement to distributors. Revenue is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods or collection of cement by customers at the Company's premises.

The five-step model stipulated in IFRS 15 Revenue from contracts with customers is applied when accounting for revenue from contracts with customers. The Company accounts for a revenue contract with a customer only when all the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to performing their respective obligations;

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### a) Revenue recognition (Continued)

- The Company can identify each party's rights regarding the goods or services to be transferred;
- The Company can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance (i.e., the risk, timing or amount of future cash flows is expected to change as a result of the contract); and
- It is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any. Currently, the Company does not sell cement to customers or have contracts with customers that have significant financing components.

##### Contract balances

###### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies on financial assets.

###### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the

Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The Company's contract liabilities consist of advance deposits from customers for cement sales.

###### Cost to obtain a contract

The Company defers and amortises these costs over the period of the contract

##### b) Foreign currency translation

###### Functional and presentation currency

The financial statements are presented in Tanzanian Shillings (TZS), which is the Company's functional and presentation currency

###### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company 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.

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.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of any 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 is calculated on a straight-line basis over the estimated useful life of the assets. The annual rates of depreciation that have been consistently applied are:

Description	Rate (%)
Buildings and roads	4.0
Production machinery and equipment: (Factory plant and machinery)	5.0 – 10.0
Production machinery and equipment (Quarry plant and machinery)	25.0
Other equipment (Furniture, equipment and fixtures)	12.5
Other equipment (Motor vehicles)	25.0
Other equipment (Computer hardware)	33.3

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the 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 profit or loss when the asset is derecognised. The asset is derecognised once control has been transferred to the buyer.

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

##### Capital work-in-progress

Capital work-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 Company. It also includes cost incurred for assets being constructed by third parties, assets that 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. Capital work-in-progress is not depreciated, since by the definition it is not yet ready for use.

##### d) Capital items in stock

Spare parts and servicing equipment are classified as Property, Plant and Equipment rather than inventory when they meet the definition of Property, Plant and Equipment, with a useful life of more than 5 years and value more than TZS 140 million. They are measured on cost less depreciation and provision for impairment.

##### e) Intangible assets

The Company's intangible assets include the value of computer software and mining rights for the limestone quarry. Mining rights are rights to extract limestone from the land that belongs to the government. The Company pays the cost of the mining rights at the inception of the contract in advance and amortizes over the life of the contract or units of production giving mining rights.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition,

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### e) Intangible assets (Continued)

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortisation that has been consistently applied is 20% – 50%. The amortisation period and the amortisation method for intangible assets are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in profit or loss.

Gains or losses arising from the 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.

##### f) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company 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 of disposal and value in use. A cash-generating unit is the small identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount is

##### f) Impairment of non-financial assets

(Continued)

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. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless either the asset's fair value less cost of disposal is higher than its carrying amounts, or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be determined.

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 pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the assets.

In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transaction can be identified, and the appropriate valuation model is used. Value in use is determined using budgets.

##### g) Inventories

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

- Raw materials – purchase cost on 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 capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### (i) Financial assets

###### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (a) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result

from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

As at the year end, the financial assets of the company included cash and cash equivalents, trade receivables and other financial assets; all classified as assets held to collect and therefore measured at amortised cost.

###### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with the recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

###### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (i) Financial assets (Continued)

Financial assets at amortised cost (debt instrument) are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade receivable, other short term operating receivables bank balances and other financial assets.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company 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<sup>2</sup> and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

##### Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (i) Financial assets (Continued)

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. A gross carrying amount will be written off when the financial assets can not be recovered after three years.

##### (ii) Financial liabilities

###### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of incremental transaction costs.

The Company's financial liabilities include Interest bearing loans, accrued expenses, trade payables, and other payables that are financial instruments. These are all classified as financial liabilities at amortised cost.

###### *Subsequent measurement*

After initial recognition, interest-bearing loans and trade and other payables are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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 the finance costs in the statement of comprehensive income.

###### *De-recognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where 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, and the difference in the respective carrying value is recognised in profit or loss.

##### i) Offsetting of financial instruments

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

##### j) Provisions

###### *General*

Provisions are recognised when the Company 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. When the Company 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 a provision is presented in the profit or loss net of any reimbursement.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### j) Provisions (Continued)

###### Site restoration provision

The provision for restoration represents the cost of restoring site damage after the start of production. Increases or decrease in the provision is charged to profit or loss as a cost of production. Restoration costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

##### k) Pensions and other employment benefits

The Company operates defined contribution plans and defined benefit plans.

###### Pension obligations

Under defined contribution plans, the Company's employees are members of state-owned pension schemes, and the National Social Security Fund (NSSF). The Company contributes 10% of basic salary for each employee who is a member of NSSF, while the employees contribute 10% respectively. The Company's contributions to the funds are charged to profit or loss in the year to which they relate.

###### Endowment scheme

The Company has an endowment scheme administered by the Jubilee Insurance Company of Tanzania Limited. This scheme is a defined contribution plan. The cost of the endowment scheme is fully met by the Company and it has no further obligations to the scheme.

###### Other short-term benefits

The Company maintains a medical insurance policy for its staff which covers staff and their immediate dependants. The entitlement is recognised through profit or loss under employee expenses. The Company does not have any further obligation after

contributions have been made.

###### Post-employment benefits

Under defined benefit plans, the Company provides certain post-employment benefits at retirement. The expected costs of these benefits are accrued over the period of employment and the present value of the obligation is determined by reference to market yields on high-quality corporate bonds, where there is no deep market in such bonds, the market yields on government bonds are used at the end of the reporting period. (See also note 5 Significant Accounting Judgements, estimates and assumptions - Pension Obligations).

###### Long service employment benefits (other long-term employee benefits)

Under this defined benefit plan, the Company provides benefits in the form of cement at certain milestones during the period of employment.

The expected costs of these benefits are accrued over the period of employment and the present value of the obligation is determined by reference to market yields on high-quality corporate bonds, where there is no deep market in such bonds, the market yields on government bonds are used at the end of the reporting period.

These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### k) Pensions and other employment benefits (Continued)

Interest is calculated by applying the discount rate to the defined benefit liability. The Company recognises the following changes in the defined benefit obligation in the statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Interest expense

Key assumptions and sensitivity analysis are disclosed under note 29

#### l) Taxes

##### Current 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.

Current income 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 between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

- When the deferred tax liability arises from the initial recognition of goodwill or 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, when 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:

When 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, associates and interests in joint ventures, 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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. At the end of each reporting period, the Company reassesses unrecognised deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit 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.

Current tax and deferred tax relating to items recognised directly in other comprehensive income or equity are also recognised in other comprehensive income or equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 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.
- 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 statement of financial position.

#### **m) Royalty**

A royalty fee is a fixed charge paid to the government on annual basis based on the unit of minerals extracted by the Company. The annual fee paid depends on material extracted during a particular month.

#### **n) Dividend distribution**

Dividend distribution to the shareholders is charged to equity and recognised as a liability in the Company's financial statements in the period in which they are declared, and after being approved by the shareholders at the Annual General Meeting.

#### Dividend withholding tax

Dividend withholding tax is payable at a rate of 5% on dividends distributed to shareholders. This tax is not attributable to the Company paying the dividend but is collected by the Company and paid to the tax authorities on behalf of the shareholder.

#### **o) Current versus non-current classification**

The Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### o) Current versus non-current classification (Continued)

All other assets are classified as non-current. A liability is current when either:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Company classify all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### p) Cost of sales

All costs directly linked to the production, handling, and storing of goods within the factory premises are classified under cost of sales. They exclude those period costs that would be incurred regardless of whether the Company make any production. Cost of sales includes carrying amounts of inventories sold during the period. Included in this are some fixed components like direct labour cost; variable costs such as power, materials, handling, and distribution cost. Costs are allocated based on cost centres, expenses allocated to cost of sales are those which are within technical, mechanical and production cost centres.

##### q) Leases

The Company assesses at contract inception whether a contract is or contains a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### The company as a lessee

The Company applies a single recognition and

measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and lease term.

The right-of-use assets are subject to impairment in line with the Company's policy for impairment of non-financial assets.

The useful life of the Company's right-of-use asset is as follows;

- Quarry equipment – 3.25 years
- Factory land – 99 years

##### Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### q) Leases (Continued)

payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

##### *The company as a lessor*

Rental income - Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

#### 4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### **IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment**

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 01 June 2020.

However, the Company has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within the allowed period of application.

##### **Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2).**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Company has applied intends to adopt these standards, if applicable when they become effective.

##### Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

##### Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting

issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

##### The following pronouncements issued by the IASB are effective for periods commencing on or after 1 January 2022. The Company's financial reporting is not expected to be materially impacted by these pronouncements:

- Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to IAS 1– Classification of Liabilities as Current or Non-current
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- AIP IAS 41 Agriculture – Taxation in fair value measurements
- IFRS 17 Insurance Contracts
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 - postponed indefinitely.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

In the process of applying the Company's accounting policies, management has made the following significant estimations, which has the most significant effect on the amounts recognised in the financial statements:

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

##### Expected credit losses

The Company assesses the financial assets portfolio to determine whether an impairment loss should be recorded in profit or loss. The Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows of an individual debtor in that portfolio. The Company performs impairment assessment during recognition of the financial assets taking into consideration forward-looking information pertaining to a specific debtor or a certain debtor's portfolio. The assessment of the correlation between historically observed default rates, forecasts of economic conditions and ECLs involves estimation. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit

loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

More information on impairment losses including the carrying amounts of the balances affected is presented in Note 23, 24 and 25.

##### Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying value 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. The assets that are subject to this are presented in Notes 18,19 and 20.

##### Post-employment and long service defined benefit plans

The cost of defined benefit pension plans and other long-term employment plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are included in Note 29.

##### Provision for quarry rehabilitation

Limestone is mined from the quarry in a way that leaves the "used" area as a one-level horizontal plateau (bench). The Company re-cultivates the quarry sites that will no longer be mined, and the Company has a quarry rehabilitation plan.

Due to the long-term nature of mining a quarry, assessment of the quarry rehabilitation provision is



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

subject to significant estimates. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. The discount rate used in the calculation of the provision as at 31 December 2021 equalled 15.95% (2020: 15.49%). Refer to Note 31 for more information on the quarry rehabilitation provision.

##### Asset useful lives

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

For the carrying amount of property, plant, and equipment, refer to Note 18 to the financial statements.

##### Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Litigation and other judicial proceedings, as a rule, raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each suit is brought and differences in applicable law. Upon resolution of any pending legal

matter, the Company may be forced to incur charges in excess of the presently established provisions and related insurance coverage. It is possible that the financial position, results of operations or cash flows of the Company could be materially affected by the unfavourable outcome of the litigation.

For details on the contingent liabilities amounts, refer to Note 40 to the financial statements.

##### Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as the experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues, depending on the conditions prevailing in the respective domicile of the companies.

For disclosures and details on tax and tax contingencies, refer to Notes 32 and 40 of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

##### Leases

##### Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Company would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

##### Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances

that are within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company includes the renewal period as part of the lease term for the leases recognised. The Company typically exercises its option to renew for leases because there will be a significant negative effect on operations if a replacement asset is not readily available. The renewal periods for leases are not included as part of the lease term if they are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### 7. REVENUE FROM CONTRACTS WITH CUSTOMERS

##### Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers.

##### Sales of cement per cement type:

TZS '000	Notes	2021	2020
Twiga extra		104,164,101	139,906,243
Twiga ordinary		78,964,341	60,700,468
Twiga plus		264,242,242	188,323,499
Twiga jenga		3,001	1,059,902
Twiga super		2,135,616	3,749,446
		<b>449,509,301</b>	<b>393,739,558</b>

#### 8. OTHER OPERATING INCOME

TZS '000	Notes	2021	2020
Gain on disposal of property, plant, and equipment		46,610	71,063
Other income		1,159,310	2,179,328
		<b>1,205,920</b>	<b>2,250,391</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9. COST OF SALES

TZS '000	Notes	2021	2020
Distribution costs		19,743,267	12,401,139
Variable costs		220,606,569	196,989,776
Fixed production costs		35,724,284	34,688,411
Provision for slow-moving and obsolescence		2,741,450	2,917,649
Impairment of obsolete consumables [(release)/charge]		(682,507)	391,284
Depreciation, amortisation, and impairment		15,051,973	14,001,142
		<b>293,185,036</b>	<b>261,389,401</b>

Cost of sales includes the cost incurred on raw materials, fuel, electricity, personnel, maintenance, distribution and other production expenses. Depreciation incurred for factory machines and equipment is presented separately in note 12.

*Included in the cost of sales variable costs are:*

Raw materials costs		106,889,335	83,735,771
Energy costs		77,782,755	76,842,272
Grinding and packaging costs		25,463,148	22,974,769
Consumables costs		6,068,237	7,066,945
Other variable production costs		4,403,094	6,370,019
		<b>220,606,569</b>	<b>196,989,776</b>

*Included in the cost of sales fixed production costs are:*

Cost of repair and maintenance costs		16,954,289	14,023,316
Staff costs	13	14,864,345	14,624,754
Other fixed production costs		3,905,650	6,040,341
		<b>35,724,284</b>	<b>34,688,411</b>

#### 10. SELLING AND MARKETING EXPENSES

TZS '000	Notes	2021	2020
Staff costs		2,025,342	1,938,089
Marketing, advertising and sales costs		985,493	1,004,196
		<b>3,010,835</b>	<b>2,942,285</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11. ADMINISTRATIVE EXPENSES

TZS '000	Notes	2021	2020
Staff costs	13	5,205,852	4,618,776
Consultancy costs		3,838,285	3,211,663
Technical assistance		5,115,982	4,624,809
Expected credit losses of receivables	23	(421,078)	220,486
Other administrative expenses		6,160,786	7,032,109
Depreciation, amortisation and impairment		3,614,341	3,295,538
		<b>23,514,168</b>	<b>23,003,381</b>

Included in other administrative expenses are:

Audit fees		5,205,852	4,618,776
Donations		3,838,285	3,211,663
Travelling cost		5,115,982	4,624,809
Directors' remuneration		(421,078)	220,486
Legal fees		6,160,786	7,032,109
Other Admin costs		3,614,341	3,295,538
		<b>23,514,168</b>	<b>23,003,381</b>

#### 12. DEPRECIATION AND AMORTISATION

TZS '000	Notes	2021	2020
Depreciation of property plant and equipment	18	15,051,973	14,001,142
Depreciation of right of use assets	21	3,216,161	3,215,594
Amortisation of intangible assets	19	370,334	52,098
Amortisation of lease hold land	20	27,846	27,846
		<b>18,666,314</b>	<b>17,296,680</b>

#### 13. STAFF COSTS

TZS '000	Notes	2021	2020
Staff costs under:		15,051,973	14,001,142
Cost of sales	9	3,216,161	3,215,594
Selling and marketing costs	10	370,334	52,098
Administrative expenses	11	27,846	27,846
		<b>18,666,314</b>	<b>17,296,680</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 13. STAFF COSTS (Continued)

Staff costs is made up of:

TZS '000	Notes	2021	2020
Salaries and wages		8,673,701	8,244,576
Social Security Contribution		1,296,593	1,168,690
Payroll tax (SDL)	30	581,969	756,937
Post-employment and long service costs	29	656,575	769,788
Other employment costs and employee benefits <sup>2</sup>		10,886,701	10,241,628
		<b>22,095,539</b>	<b>21,181,619</b>

#### 14. OTHER OPERATING EXPENSES

TZS '000	Notes	2021	2020
Local government levies and other taxes <sup>3</sup>		4,586,728	3,695,504
Property taxes		14,260	14,277
Research and exploration costs		822,613	-
		<b>5,423,601</b>	<b>3,709,781</b>

#### 15. FINANCE INCOME

TZS '000	Notes	2021	2020
Interest income on short term bank deposits		3,258,481	1,819,274
		<b>3,258,481</b>	<b>1,819,274</b>

#### 16. FINANCE COSTS

TZS '000	Notes	2021	2020
Interest expense on short-term borrowing		-	53,386
Interest expense on lease liabilities	28	611,279	1,239,121
		<b>611,279</b>	<b>1,292,507</b>

#### 17. NET GAIN ON FOREIGN CURRENCY TRANSLATION

TZS '000	Notes	2021	2020
Exchange gain - realised		1,243,851	1,563,927
Exchange loss - realised		(345,669)	(807,321)
<b>Sub-total</b>		<b>898,182</b>	<b>756,606</b>
Exchange gain - unrealised		51,272	6,213,809
Exchange loss - unrealised		(1,141,049)	(5,013,049)
<b>Sub-total</b>		<b>(1,089,777)</b>	<b>1,200,760</b>
<b>Net foreign exchange (loss) /gain</b>		<b>(191,595)</b>	<b>(191,595)</b>

<sup>2</sup>Amount includes other employment costs and employee benefits such as pension contribution to endowment scheme, staff bonus, staff allowances, canteen services, transport services and medical services.

<sup>3</sup>Includes provision for tax assessments of TZS 3.2 billion (2020: TZS 2.3 billion)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 18. PROPERTY, PLANT AND EQUIPMENT (PPE)

TZS '000	Building and Roads	Production machinery & equipment	Other equipment	Capital items in stock	Capital work-in-progress (CWIP) <sup>4</sup>	Total
<b>Cost</b>						
At 01 January 2020	50,527,656	209,432,381	17,907,838	3,075,059	6,442,547	287,385,481
Additions	-	-	-	186,890	12,158,651	12,345,541
Transfers from CWIP	391,171	3,721,281	337,051	-	(4,449,503)	-
Transfer to CWIP	-	-	-	(527,928)	527,928	-
Disposals	-	-	(330,703)	-	-	(330,703)
At 31 December 2020	50,918,827	213,153,662	17,914,186	2,734,021	14,679,623	299,400,319
At 01 January 2021	50,918,827	213,153,662	17,914,186	2,734,021	14,679,623	299,400,319
Additions	-	-	-	7,929	27,820,338	27,828,267
Transfers from CWIP	368,184	25,312,291	975,176	-	(26,655,651)	-
Transfers – Capital items	-	-	-	(747,686)	-	(747,686)
Transfer – Intangible asset	-	-	-	-	(579,655)	(579,655)
Disposals	-	-	(522,040)	-	-	(522,040)
At 31 December 2021	51,287,011	238,465,953	18,367,322	1,994,264	15,264,655	325,379,205
<b>Accumulated depreciation</b>						
At 01 January 2020	18,879,803	117,671,874	14,803,893	-	-	151,355,570
Charge during the year	2,023,157	10,841,588	1,136,397	-	-	14,001,142
Disposals	-	-	(330,703)	-	-	(330,703)
Reclassification from inventory provision	-	-	-	981,162	-	981,162
At 31 December 2020	20,902,960	128,513,462	15,609,587	981,162	-	166,007,171
At 01 January 2021	20,902,960	128,513,462	15,609,587	981,162	-	166,007,171
Charge during the year	2,052,218	11,806,359	1,055,643	137,753	-	15,051,973
Disposals	-	-	(522,040)	-	-	(522,040)
At 31 December 2021	22,955,178	140,319,821	16,143,190	1,118,915	-	180,537,104
<b>Net carrying amount</b>						
At 31 December 2021	28,331,833	98,146,132	2,224,132	875,349	15,264,655	144,842,101
At 31 December 2020	30,015,867	84,640,200	2,304,599	1,752,859	14,679,623	133,393,148

No property, plant and equipment have been pledged as collateral for liabilities.

<sup>4</sup>A Included in CWIP is all on going projects for sustaining, expansion, and growth of production facilities of the Company.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19. INTANGIBLE ASSETS

TZS '000	Software	Mining rights	Total
<b>Cost</b>			
At 01 January 2020	4,310,228	919,530	5,229,758
Additions	-	-	-
At 31 December 2020	4,310,228	919,530	5,229,758
<b>Accumulated amortisation</b>			
At 01 January 2020	4,258,130	122,314	4,380,444
Charge during the year	52,098	-	52,098
At 31 December 2020	4,310,228	122,314	4,432,542
<b>Carrying value at 31 December 2020</b>	-	797,216	797,216
<b>Cost</b>			
At 01 January 2021	4,310,228	919,530	5,229,758
Additions	579,655	-	579,655
At 31 December 2021	4,889,883	919,530	5,809,413
<b>Accumulated amortisation</b>			
At 01 January 2021	4,310,228	122,314	4,432,542
Charge during the year	370,334	-	370,334
At 31 December 2021	4,680,562	122,314	4,802,876
<b>Carrying value at 31 December 2021</b>	209,321	797,216	1,006,537

#### 20. LEASEHOLD LAND

TZS '000	Notes	2021	2020
At 01 January		1,036,621	1,064,467
Additions		-	-
		1,036,621	1,064,467
Less: Amortisation for the year		(27,846)	(27,846)
<b>At 31 December</b>		<b>1,008,775</b>	<b>1,036,621</b>
Within one year		27,846	27,846
After one year		980,929	1,008,775
		<b>1,008,775</b>	<b>1,036,621</b>

Lease amount was paid upfront and amortised over the useful life. The remaining lease period for leasehold land is 71 years.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 21. RIGHT-OF-USE ASSETS

TZS '000	Building and Roads	Production machinery & equipment	Total
As at 01 January 2020	202,165	7,228,606	7,430,771
Additions	11,713	-	11,713
Depreciation expense	(2,880)	(3,212,714)	(3,215,594)
Write off	(28,246)	-	(28,246)
As at 31 December 2020	182,752	4,015,892	4,198,644
As at 01 January 2021	182,752	4,015,892	4,198,644
Additions	-	-	-
Depreciation expense	(3,447)	(3,212,714)	(3,216,161)
Write off	-	-	-
As at 31 December 2021	179,305	803,178	982,483

The Company has lease contracts for equipment and land for limestone extraction and factory area for its operations. Leases of land generally have lease terms of 99 years and equipment for 3.25 years. The Company also has certain leases of printers with lease terms of 12 months or less and leases of expatriate's houses with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Refer to Note 28 for further disclosures on leases.

#### 22. INVENTORIES

TZS '000	Notes	2021	2020
Raw materials and additives		6,493,753	16,651,418
Spare parts and consumables		56,181,062	45,947,618
Work-in-progress		5,145,603	3,041,650
Finished goods and goods for resale			
- Twiga Extra Cement		210,348	205,780
- Twiga Ordinary Cement		765,342	183,674
- Twiga Plus Cement		248,026	424,345
Less: Provision for slow moving stock	22 (a)	(15,838,805)	(13,097,355)
Provision for obsolete consumables and other materials	22 (b)	(269,842)	(952,349)
		52,935,487	52,404,781



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 22. INVENTORIES (Continued)

##### (a) Movement in provision for slow moving stock

TZS '000	Notes	2021	2020
At 01 January		13,097,355	11,160,868
Charge during the year		2,741,450	2,917,649
Transfer of Capital Items in stock provision to PPE		-	(981,162)
At 31 December		15,838,805	13,097,355
<i>The provision for the slow moving stock is composed of;</i>			
Spare parts		15,493,620	12,552,210
Consumables		272,420	302,436
Others		72,765	242,709
		15,838,805	13,097,355

##### (b) Movement in provision for obsolete consumables and other materials

At 01 January		952,349	561,065
(Release)/charge of provision		(682,507)	391,284
At 31 December		269,842	952,349

##### (c) Value of inventories expensed during the year

Value of inventories expensed during the year		163,481,622	125,967,233
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During the year 2021, none of the Company's inventories balances was pledged as security for liabilities.

#### 23. TRADE RECEIVABLES

TZS '000	Notes	2021	2020
Trade Receivables		47,247,537	42,482,213
Allowances for expected credit losses		(970,220)	(1,391,297)
		46,277,317	41,090,916
Set out below is the movement in the allowance for expected credit losses of trade receivables:			
At 01 January		(1,391,298)	(2,432,294)
Provision for expected credit losses		-	(220,486)
Release of provision during the year		421,078	-
Write off of balance fully provided for		-	1,261,482
At 31 December		(970,220)	(1,391,298)

Trade receivables are non-interest bearing and are generally on 30 to 90 days payment terms. Provision policy excludes debtors backed by bank guarantees.

Trade receivables increased in line with the increased sales. In 2021, TZS 0.97 billion (2020: TZS 1.39 billion) was recognised as a provision for expected credit losses on trade receivables for the Company. Information about the credit exposures is disclosed in Note 43 (c).

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 24. OTHER SHORT-TERM OPERATING RECEIVABLES

TZS '000	Notes	2021	2020
Prepaid expenses		3,078,374	1,713,408
Other short-term receivables:			
Staff advances		348,577	385,912
Advances to suppliers		10,477,469	10,792,189
Other short-term receivables <sup>5</sup>		3,892,411	2,799,510
		14,718,457	13,977,611
<b>Gross debtors</b>			
Allowance for expected credit losses <sup>6</sup>		(1,209,962)	(1,209,962)
		16,586,869	14,481,057
<b>Movement in allowance for expected credit losses</b>			
At 01 January		(1,209,962)	(1,209,962)
Provision for expected credit losses		-	-
<b>At 31 December</b>		<b>(1,209,962)</b>	<b>(1,209,962)</b>

#### Terms and conditions of the above other receivables:

Staff advances are amounts raised to staff for small value expenses such as travelling costs that cannot be certainly determined in advance. These are non-interest bearing and must be retired within 30 days. On aggregate, such balances are not material and their very quick retirement period of 30 days since they were advanced reduces any risk of impairment.

Advances to suppliers are non-interest bearing and are generally on a maximum of 90 days terms. The balance at year-end represents down payment to suppliers for upcoming deliveries and port clearing charges. Immediately as such deliveries are made, normally within two months, respective expenses as applicable are actualised. Management has assessed impairment on such balances and concluded that default is remote, and any provision would be immaterial.

#### 25. OTHER FINANCIAL ASSETS

Other financial assets include the amount receivable from the sale of the Company's property. The Company sold part of its owned land located at Kinondoni Municipality, Plot 6/2/1, Plot 6/2/2, Plot 6/2/3, Plot 6/2/4 and Lugoba aggregates plant.

As at 31 December 2021, the outstanding amounts relate to the Lugoba aggregates plant, the expected conclusion of repayments to be by December 2023.

<sup>5</sup>Other short-term receivables relates to deposit to Tanzania Revenue Authority as a requirement for filling objection regarding tax cases disclosed under note 40

<sup>6</sup>Included in ECL is prepayment for projects that are likely not to be executed



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 25. OTHER FINANCIAL ASSETS (Continued)

TZS '000	Notes	2021	2020
The amount receivable as at 31 December			
Opening balance		1,946,000	10,626,640
Proceeds received		(550,000)	(8,680,640)
Closing balance		1,396,000	1,946,000
Current portion		600,000	600,000
Non-current portion		796,000	1,346,000
		1,396,000	1,946,000

#### 26. CASH AND CASH EQUIVALENT

TZS '000	Notes	2021	2020
Cash at bank - local currency		28,411,267	2,773,090
Cash at bank - foreign currency		85,861,678	101,069,428
Cash at hand		5,419	13,252
		114,278,364	103,855,770

The carrying amounts disclosed above reasonably approximate the fair values at the reporting date. The cash and cash equivalents position for the purpose of the statement of cash flow purposes is as follows:

Write off of balance fully provided for		114,278,364	103,855,770
At 31 December		114,278,364	103,855,770

#### 27. SHARE CAPITAL

Number of Shares	Notes	2021	2020
AUTHORISED, ISSUED AND FULLY PAID UP			
179,923,100 Ordinary Shares of TZS 20 each		3,598,462	3,598,462
SHAREHOLDING			
Shareholders:			
Scancem International DA		124,598,500	124,598,500
General Public		55,055,094	54,923,107
Wazo Hill Savings and Credit Cooperative Society		269,506	401,493
		179,923,100	179,923,100

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 28. LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Number of Shares	Notes	2021	2020
As at 01 January		4,957,146	8,071,751
Additions		-	11,713
Accretion of interest		611,279	1,239,121
Payments		(4,337,262)	(4,337,193)
Write off		-	(28,246)
As at 31 December		<b>1,231,163</b>	<b>4,957,146</b>
Current		1,044,405	3,725,915
Non-current		186,758	1,231,231
		<b>1,231,163</b>	<b>4,957,146</b>
<b>The following are the amounts recognised in profit or loss:</b>			
Depreciation expense of right-of-use assets		3,216,161	3,215,594
Interest expense on lease liabilities		611,279	1,239,121
Expenses relating to leases of low-value assets <sup>7</sup>		1,108,869	1,125,872
<b>Total amount recognised in profit or loss</b>		<b>4,936,309</b>	<b>5,580,587</b>

The rent is paid on annual basis. The lease is renewable on expiry. There are no contingent rents payable, purchase options and restrictions imposed on the Company associated with the lease arrangements. As at the date of these financial statements contractual terms relating to the renewal of the equipment lease were uncertain, pending tendering processes expected to be completed. Accordingly, the assessment for lease liability and the corresponding right of use asset do not consider the period beyond the contractual tenor of the lease.

The discount rate applied during the year was 19.22% for Land and 18.62% for Quarry Equipment.

#### 29. EMPLOYMENT BENEFIT LIABILITIES

The Company contributes to a pension scheme administered by National Social Security Fund. In addition to that, the Company has an endowment scheme administered by the Jubilee Insurance Company of Tanzania Limited. These two schemes are defined contribution plans. The cost of the endowment scheme is fully met by the Company (See also note 5 Significant Accounting Judgements, estimates and assumptions - Pension Obligations).

<sup>7</sup>Included in administrative expenses



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 29. EMPLOYMENT BENEFIT LIABILITIES (Continued)

The Company contributions during the year were as follows:

TZS '000	Notes	2021	2020
Endowment Scheme		808,500	750,062
National Social Security Fund (NSSF)		1,296,593	1,918,752
		<b>2,105,093</b>	<b>2,668,814</b>

In addition to the two defined contribution schemes above, the Company has entered into a voluntary agreement with the Tanzania Union of Industrial and Commercial Workers (TUICO) of Tanzania Portland Cement Company to provide end-of-service benefits to employees reaching retirement age. The retired employee is paid based on the length of service. Also, the voluntary agreement provides for long-service awards paid in cement throughout the employment (every five years). The end-of-service benefit scheme is reported as a post-employment benefit, while the long-service award is reported as other long-term benefits. The cost of both is fully met by the Company and the plans are administered by the management of the Company.

Directors are of the opinion that the unfunded defined benefit obligation does not expose the Company to significant Company-specific or plan-specific risk. There are no modifications/amendments to the defined benefit plans that resulted from either statutory (labour law) or any other negotiations with employees' union that would result into the past service cost being recognised in profit or loss.

The amounts recognised in the statement of financial position are as follows:

TZS '000	Notes	2021	2020
Present value of unfunded obligations		5,306,943	4,062,080
<b>Net liability recognised in the statement of financial position</b>		<b>5,306,943</b>	<b>4,062,080</b>
Post-employment benefit		5,002,504	3,797,522
Other long-term benefits		304,439	264,558
		<b>5,306,943</b>	<b>4,062,080</b>

The amounts recognised in profit or loss and OCI are as follows:

Current service cost		226,950	238,129
Interest on obligation		429,625	531,659
<b>Expense recognised in profit or loss</b>		<b>656,575</b>	<b>769,788</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 29. EMPLOYMENT BENEFIT LIABILITIES (Continued)

<b>Actuarial losses on defined benefit plan:</b>			
Post-employment benefit		1,449,207	(1,408,044)
Other long-term benefits		89,139	(61,670)
<b>Expense/(income) recognised in OCI</b>		<b>1,538,346</b>	<b>(1,469,714)</b>

#### Changes in the present value of the employment benefits are as follows:

TZS '000	Notes	2021	2020
<b>Post-employment benefits</b>			
Opening balance (end-of-service benefits)		3,669,538	5,061,575
Current service costs		214,904	225,490
Interest cost		400,304	491,797
Benefits payments		(859,433)	(701,280)
Actuarial losses/(gains)		1,449,207	(1,408,044)
<b>Closing balance (end-of-service benefits)</b>		<b>4,874,520</b>	<b>3,669,538</b>
<b>Other long-term benefits</b>			
Opening balance (long-service awards)		392,542	430,056
Current service costs		12,046	12,639
Interest cost		29,321	39,862
Benefits payments		(90,625)	(28,345)
- Sub-total: change in provision for other long-term benefits		(49,258)	24,156
Actuarial losses/(gains)		89,139	(61,670)
Closing balance (long-service awards)		432,423	392,542
<b>Total amount of obligation</b>		<b>5,306,943</b>	<b>4,062,080</b>

#### Expected benefit payments

TZS '000	Expected benefits payments		Expected contributions	
	2021	2020	2021	2020
In the following year	723,611	923,309	69,024	40,433
In current year +2	130,048	387,416	12,405	16,965
In current year +3	491,535	123,377	46,887	5,403
In current year +4	697,531	450,278	66,537	19,718
In current year +5	173,295	664,432	16,530	29,096
In current year + 6 and > (in aggregate)	4,177,259	3,384,711	398,464	148,220

The average duration of the defined benefit plan obligation at the end of the reporting period is 15 years (2020: 15 years).



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 29. EMPLOYMENT BENEFIT LIABILITIES (Continued)

##### Significant actuarial assumptions

	2021	2020
Discount rate at 31 December	9%	12%
Future annual salary increases	5%	5%
Interest/inflation rate	4%	4%
Retirement age	60 years	60 years
Cement per ton price	TZS 122,066	TZS 114,699

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of treasury bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

##### Sensitivity analysis

The assumptions with the greatest impact on the results are:

TZS '000	2021	2020
Discount +1%	(5,098,444)	(3,935,091)
Discount -1%	(5,530,745)	(4,197,294)
Service plus interest cost discount +1%	734,646	764,355
Service plus interest cost discount -1%	757,683	772,027

The sensitivity figures above are based on changes of reasonable possible changes and assumptions remaining unchanged in a period of one year. Inflation is expected to be stable. The amounts shown under discount represent the value of the obligation after changing the assumption on the statement of financial position while the amounts under interest cost show the value of expense after changing the assumption.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 29. EMPLOYMENT BENEFIT LIABILITIES (Continued)

##### Membership statistics

		2021	2020
Employees		260	257
Active members <sup>8</sup>			
Headcount		251	247
Average age		42	42
Average future service		14	13
Average annual pensionable salary		31,556	29,522

The scheme has no retired or inactive members.

#### 30. OTHER STATUTORY PAYROLL REMITTANCES

Other statutory payroll remittances include Pay As You Earn (PAYE), Skills and Development Levy (SDL) and Workers Compensation Fund (WCF). PAYE, SDL and WCF are payable by the Company to the Tanzania Revenue Authority (TRA) in accordance with the Income Tax Act. The amounts charged to profit or loss in the year in respect of SDL and WCF remittances are:

TZS '000		2021	2020
Skills and Development Levy		581,969	756,937
Workers Compensation Fund		76,651	83,590

The amount deducted from the employees' salaries and wages in the year in respect of PAYE is:

Pay As You Earn		5,217,391	4,389,624
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At year-end, the following amounts were outstanding and were payable to TRA. The amounts are included in trade and other payables as at year-end and were subsequently remitted after year-end.

Skills and Development Levy		80,332	87,910
Pay As You Earn		788,674	538,380
Workers Compensation Fund		6,838	12,885

<sup>8</sup>Active members are mainly employees under the Collective Bargain Agreement

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 31. PROVISION FOR QUARRY SITE RESTORATION

Provision for quarry site restoration is made annually based on the expected cost to be incurred to rehabilitate quarry sites. The provision is based on the expert costing of the expected costs. Any increase/ (decrease) in the provision is recognised in profit or loss.

TZS '000	2021	2020
At 1 January	2,275,022	2,128,377
Provision for the year	157,519	146,645
At 31 December	2,432,541	2,275,022

The key assumptions used in determining the provision are:

- The useful life of the site is estimated to be 30 years and the provision is made based on the discounted expected cost of closure at the end of this period.
- The cost will be incurred in USD
- The estimated cost is USD 0.2 per ton of material mined from the quarry site
- The applicable discount rate equals 15.49% (2020: 15.49%) which fairly approximates the market rate
- Tanzania inflation rate used was 4% (2020: 4%)

The expected timing of the provision is to be utilised over periods after more than one year from the reporting date.

#### 32. INCOME TAX

TZS '000	2021	2020
<b>i) Income tax expense</b>		
Current income tax charge	41,748,930	36,493,596
Deferred income tax credit	(2,434,857)	(3,543,761)
Deferred income tax charge/(credit) - prior period	241,530	(196,971)
	<b>39,555,603</b>	<b>32,752,864</b>
<b>ii) Reconciliation of tax expense to tax based on accounting profit:</b>		
Accounting profit before taxation	128,037,188	107,429,234
Tax applicable rate of 30% (2020: 30%)	38,411,156	32,228,770
<i>Tax effect on non-taxable/non-deductible items</i>		
Disallowable expenses for tax purposes <sup>9</sup>	902,917	721,065
Prior year deferred tax adjustment	241,530	(196,971)
Income tax expense	<b>39,555,603</b>	<b>32,752,864</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 32. INCOME TAX (Continued)

TZS '000	2021	2020
<b>iii) Deferred income tax</b>		
Accelerated depreciation for tax purposes	84,117,584	85,647,684
Provisions for post-employment benefits	(1,303,386)	(1,596,869)
Write-down of inventory to net realisable value	(16,108,647)	(15,030,865)
Actuarial losses on employee benefits obligation	(4,003,191)	(2,464,845)
Provision for impairment of receivables	(2,180,231)	(2,601,310)
Provision for quarry site restoration	(2,432,541)	(2,275,023)
Unrealised exchange loss	(1,141,049)	(2,719,482)
Unrealised exchange gain	(51,272)	2,765,528
IFRS 16 (lease) fair value adjustment	(1,516,115)	-
Other temporary differences	(16,651,619)	(14,145,852)
	<b>38,729,533</b>	<b>47,578,966</b>
Deferred income tax liability thereon at 30%	11,618,859	14,273,690
Less: Opening deferred tax liability	(14,273,690)	(17,573,508)
Deferred income tax charge	<b>(2,654,831)</b>	<b>(3,299,818)</b>
Deferred income tax credit to profit	(2,434,857)	(3,543,761)
Deferred income tax charge/(credit) - prior period	241,530	(196,971)
Deferred income tax (credit)/charge to OCI	(461,504)	440,914
	<b>(2,654,831)</b>	<b>(3,299,818)</b>
<b>iv) Current income tax payable</b>		
Tax payable brought forward	1,013,768	1,027,427
Tax charge for the year	41,748,930	36,493,596
Tax payments during the year	(42,733,839)	(36,507,255)
<b>Current income tax payable</b>	<b>28,859</b>	<b>1,013,769</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 33. TRADE AND OTHER PAYABLES

TZS '000	Notes	2021	2020
Trade payables - third parties		51,116,820	35,474,543
Trade payables - intercompany	39 (iii)	825,230	4,619,374
Accruals*		23,145,834	18,133,034
Contract liabilities	34	5,439,634	6,482,897
Short-term operating payables		184,280	1,155,406
Payables for payroll and related costs		2,899,801	2,894,942
		<b>83,611,599</b>	<b>68,760,196</b>

Trade payables are non-interest bearing and are normally settled between 15 to 60 days after the invoice date

- 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 39
- Short term operating payables consist of indirect taxes payables of TZS 308 million

\*Accruals consist of costs for services rendered, but invoices have not been received, including electricity and natural gas costs.

#### 34. CONTRACT LIABILITIES

TZS '000	2021	2020
Opening balance	6,482,897	3,010,513
Advances for cement sales	5,439,634	6,482,897
Recognised as revenue during the year	(6,482,897)	(3,010,513)
	<b>5,439,634</b>	<b>6,482,897</b>

The performance obligation is satisfied when cement trucks are weighed at Tanzania Portland Cement Plc's weighbridge and a delivery note is generated. Contract liabilities will be realised within an estimate of one month period after the year-end.

#### 35. INTEREST BEARING LOAN

The loan of initially TZS 1,082,822,619 was extended by the Government of the United Republic of Tanzania to the Company for the rehabilitation of the Company quarries under the SIDA import support programme during the financial year 1988/1989, 1989/1990 and 1990/1991. The loan carries an interest rate of 10% per annum on the outstanding balance and is payable in semi-annual equal instalments of TZS 25,181,921 for a period of 20 years. The repayment of the loan commenced on 31 January 1999 and was payable up to 31 December 2016. As at 31 December 2020, the Interest amount of TZS 5 million was still outstanding. The loan was not secured. The Company decided to repay the loan earlier as the amount outstanding was immaterial.

TZS '000	2021	2020
Interest payable as at 31 December	0	5,021

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

No additional charge is expected from the government and the amounts are current.

#### 36. NET DEBT RECONCILIATION

As at 31 December 2021, the Company did not have any bank overdrafts.

TZS '000	2021	2020
Cash and cash equivalents (excluding restricted cash)	114,278,364	103,855,770
Borrowings (interest-bearing loans)	-	5,021
Lease liabilities	(1,231,163)	(4,957,146)
<b>Net Cash</b>	<b>113,047,201</b>	<b>98,903,645</b>
Cash and liquid investments	114,278,364	103,855,770
Gross debt - variable interest rates	(1,231,163)	(4,957,146)
Gross debt - fixed interest rates	-	5,021
<b>Net Cash</b>	<b>113,047,201</b>	<b>98,903,645</b>

#### 37. DIVIDEND PROPOSED AND APPROVED

As at 31 December 2021, the Company did not have any bank overdrafts.

TZS '000	2021	2020
<b>Dividends approved during the year</b>		
Dividends on ordinary shares:		
Final dividend 2020: TZS 390 per share (2019: TZS 290 per share)	70,170,009	52,177,699
	<b>70,170,009</b>	<b>52,177,699</b>

Dividends paid are subject to withholding tax which is payable to Tanzania Revenue Authority.

During the period under review, there was no interim dividend declared.

Subsequent to year-end, the Board proposed a final dividend for 2021 totalling TZS 70.17 billion (2020: TZS 70.17 billion) being TZS 390 per share (2020: TZS 390 per share).

#### 38. DIVIDEND PAYABLE

Dividend payable as at year end comprises of:

TZS '000	2021	2020
Scancem International DA	-	-
Other Shareholders	2,848,468	2,856,463
	<b>2,848,468</b>	<b>2,856,463</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 39. RELATED PARTY TRANSACTIONS

The Company's ultimate holding Company is Heidelberg Cement AG, incorporated in Germany and the immediate holding Company is Scancem International DA incorporated in Norway.

During the year, TPCPLC entered into transactions with Heidelberg Cement AG which is the Ultimate holding Company, HC Trading Malta, HC Green Trading Limited and SA Cimenteries CBR Cementbedrijven which are sister companies to TPCPLC. TPCPLC imports raw materials, machinery, spare parts and services from/through the holding and sister companies. The Company's purchases during the year were as follows:

##### (i) Sales to related parties

The Company sells materials and spare parts to related companies. There were no sales transactions with the related companies during the period (2020: NIL).

##### (ii) Purchases from related parties

The Company purchases raw materials, spare parts, consumables, and services from related party companies as follows:

Related Party	Relationship	2021 TZS '000	2020 TZS '000
Heidelberg Cement AG	Ultimate parent Company	5,415,473	4,310,245
HC Trading Malta Limited	Sister Company	6,706,478	12,737,539
HC Green Trading Limited	Sister Company	317,708	445,506
SA Cimenteries CBR Cementbedrijven	Sister Company	1,222,897	686,075
		<b>13,662,556</b>	<b>18,179,365</b>

##### (iii) Amounts due to/from related parties

Balances outstanding at the end of the year to related companies are as follows:

##### Due to related parties;

TZS '000	2021	2020
Heidelberg Cement AG	825,230	226,142
HC Trading Malta Limited	-	4,393,232
SA Cemeteries CBR Cementbedrijven	242,114	-
	<b>1,067,344</b>	<b>4,619,374</b>

##### Due from related parties

TZS '000	2021	2020
Scancem International DA	68,851	-
HC Trading Malta Limited	120,283	-
	<b>189,134</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 39. RELATED PARTY TRANSACTIONS (Continued)

##### (iii) Amounts due to/from related parties

*Terms and conditions of transactions with related parties:*

The balances are due on demand. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 December 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2020: Nil). This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related parties operate.

##### iv) Key Management Personnel and Directors

###### a) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

TZS '000	2021	2020
Short-term employee benefits (Salaries and allowances)	-	226,142
Post-employment benefits (defined contribution plans)	825,230	4,393,232
	<b>5,526,965</b>	<b>5,575,298</b>

- TZS 326 million of long-term terminal benefits were paid to key management personnel during the year (2020: Nil),
- As at year-end, there was no outstanding amount with key management personnel,
- The amounts disclosed in the table above are the amounts recognised as an expense during the period related to key management personnel.

###### b) Directors' Remuneration

TZS '000	2021	2020
Non-executive Chairman	19,213	18,739
Non-executive Directors	76,854	74,958
Executive Director	19,213	18,739
	<b>115,280</b>	<b>112,436</b>

A schedule detailing the remuneration of each board of directors will be annexed to these financial statements for presentation at the annual general meeting.

###### c) Balances with Directors

No outstanding balances with the directors during the year (2020: Nil).

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 40. COMMITMENTS AND CONTINGENCIES

##### Capital commitment

No major capital commitment during the year.

##### Guarantees and other financial facilities

The Company had the contractual amounts of bank financial instruments that commit it to extend credit to customers, guarantees and other facilities as follows:

TZS '000	2021	2020
Guarantees and standby letters of credit received from banks	41,086,002	34,135,861

##### Legal claims

Contingent liabilities relate to several court cases on land trespassing, alleged unfair termination of employment contracts and breach of business contracts all amounting to TZS 5 billion (2020: TZS 5 billion). The Company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

##### Contingent asset

The court ruled in favour of TPCPLC on one of the decided civil cases and the Company is due to receive TZS 250 million. The settlement will be through TPCPLC realising assets pledged as collateral. The asset selling process is expected to be completed in 2022.

##### Tax assessment

The Company's future tax charge, effective tax rate and profit before tax could be affected by several factors including tax reform introduced in Tanzania and the resolution of open tax disputes with the TRA. As at 31 December 2021, the Company had unresolved tax assessments (VAT, WHT and PAYE) and appealed the matter to the Appeal Board.

All major tax positions taken are subject to review by executive management and reported to the Board of Directors. The Company has assessments from external advisors supporting the positions taken in respect of significant tax matters which corroborates the application and interpretation of the tax legislation. The Company has considered all matters in dispute with the TRA and has accounted for any exposure identified if required.

#### 41. EARNINGS PER SHARE

	2021	2020
Profit attributable to ordinary equity holders	88,481,584,569	74,676,370,396
Weighted average number of ordinary shares	179,923,100	179,923,100
<b>Basic and diluted earnings per share (TZS)</b>	<b>492</b>	<b>415</b>

- Basic earnings per share is calculated on the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.
- Diluted earnings per share is calculated on the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding after adjustment of dilutive potential ordinary shares.
- The basic and diluted earnings per share are the same as there are no convertible instruments or other dilutive shares.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 42. SEGMENT REPORTING

The Company's main product currently is cement. Most of the revenue is therefore derived from the sale of cement (as disclosed in note 7) and the Board of Directors relies primarily on revenue from the sale of cement to assess the performance.

The Company is organised into one single business unit for management purposes. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

The revenue from external parties is measured in a manner consistent with that in the Statement of Profit or Loss and Other Comprehensive Income. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

The Company's operations and tangible non-current assets are located in Tanzania. The Company's cement sales are both in domestic and export markets.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment.

#### 43. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise of, trade and other payables. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, short-term deposits and cash and cash equivalents, which arise directly from its operations.

The main risks arising from the Company's financial instruments are liquidity risk, foreign currency risk and credit risk. The board reviews and agrees on policies for managing each of these risks as summarised below.

##### a. Treasury risk management

The Company operates a treasury function to provide competitive funding costs, invest, and monitor financial risk. The Company does not use derivative financial instruments for speculative purposes and for managing financial risk.

##### b. Foreign currency risk

Foreign currency (FX) risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk is managed at an operational level and monitored by the Finance Director. Exposure to losses from foreign liabilities is managed through prompt payment of outstanding liabilities and matching of receipts with payments in the same currencies.

The following table demonstrates the sensitivity to possible changes in the exchange rate between the Tanzanian Shilling and foreign currencies (mainly US dollar, other currencies are considered to be immaterial), with all other variables held constant, of the Company's profit after tax (due to changes in carrying amount of monetary assets and liabilities).

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 43. FINANCIAL RISK MANAGEMENT (Continued)

TZS '000	Increase/ (decrease) in the value of TZS vs. USD	Effect on before tax	Effect on Equity
Net effect based on statement of financial position as at 31 December 2021	+10%	8,043,608	8,043,608
	-10%	(8,043,608)	(8,043,608)
TZS '000	Increase/ (decrease) in the value of TZS vs. USD	Effect on before tax	Effect on Equity
Net effect based on statement of financial position as at 31 December 2020	+10%	9,467,411	9,467,411
	-10%	9,467,411	9,467,411

The sensitivity analysis has been determined based on the net exposure as at 31 December 2021. The change of 10% is what is used when determining the net foreign currency transaction risk reported internally to key management personnel to assess reasonably possible change in foreign exchange rates.

The various currencies to which the Company is exposed at 31 December are summarised below:

TZS '000	Exposure in EURO translated to TZS	Exposure in USD translated to TZS	Total in function currency
<b>Financial assets</b>			
Trade and other receivables	-	4,169,966	4,169,966
Cash and cash equivalents	3,290,536	80,262,634	83,553,170
	<b>3,290,536</b>	<b>84,432,600</b>	<b>87,723,136</b>
<b>Financial liabilities</b>			
Trade and other payables	748,300	6,538,761	7,287,061
<b>Net exposure as at 31 December 2021</b>	<b>2,542,236</b>	<b>77,893,839</b>	<b>80,436,075</b>
<b>Financial assets</b>			
Trade and other receivables	-	482,639	482,639
Cash and cash equivalents	564,761	95,055,833	95,620,594
	<b>564,761</b>	<b>95,538,472</b>	<b>96,103,233</b>
<b>Financial liabilities</b>			
Trade and other payables	1,187,824	864,362	2,052,186
<b>Net exposure as at 31 December 2020</b>	<b>(623,063)</b>	<b>94,674,110</b>	<b>94,051,047</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 43. FINANCIAL RISK MANAGEMENT (Continued)

Exchange rates applicable were as follows:

		TZS: EURO	TZS: USD
On 1 January 2021		2,915	2,337
On 31 December 2021		2,642	2,323
On 1 January 2020		2,579	2,310
On 31 December 2020		2,915	2,337

#### c. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and its financing activities, including deposits with banks and financial institutions and other financial instruments.

##### *Trade Receivable*

Customer credit risk is managed by the finance department subject to the Company's established policy, procedures and control relating to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and any sales to major customers are generally covered by guarantee letters obtained from reputable banks and other financial institutions. For the majority of customers, including export clients, full upfront payment is demanded.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. Customer type and rating and coverage by bank guarantee). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 43. FINANCIAL RISK MANAGEMENT (Continued)

##### c. Credit risk management (Continued)

Generally, trade receivables are not written-off if past due for more than one year and are subject to enforcement activity. The Company does not hold collateral as security. The letters of guarantee are considered an integral part of trade receivables and considered in the calculation of impairment. At 31 December 2021, 803% (2020: 80%) of the Company's trade receivables are covered by letters of guarantees. For this matter, the Company evaluates the concentration of credit risk with respect to trade receivable as low.

Set out below is the information about the credit risk exposure on the Company's trade receivables and contract assets using a provision matrix:

TZS '000	Current	31-90 Days	91 - 180 Days	181 - 360 Days	Total
<b>As at 31 December 2021</b>					
Expected credit loss rate	0.197%	0.022%	0.07%	85.77%	
Estimated total gross carrying amount at default	28,572,853	16,038,572	1,576,048	1,060,064	47,247,537
Expected credit loss	56,373	3,465	1,182	909,200	970,220
<b>As at 31 December 2020</b>					
Expected credit loss rate	0.027%	0.050%	1.86%	89.70%	
Estimated total gross carrying amount at default	24,123,108	14,278,827	2,598,381	1,481,897	42,482,213
Expected credit loss	6,611	7,179	48,256	1,329,251	1,391,297

##### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company deposits short term cash surpluses only with banks of high credit standing

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2021 and 2020 is the carrying amounts as illustrated in the table below:

##### Maximum exposure to credit risk

TZS '000	Notes	2021	2020
Trade receivables	23	46,277,317	41,090,916
Other short-term financial assets	24	16,586,869	14,481,057
Other financial assets	25	1,396,000	1,946,000
Bank balances	26	114,278,364	103,842,518
		<b>178,538,550</b>	<b>161,360,491</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 43. FINANCIAL RISK MANAGEMENT (Continued)

##### c. Credit risk management (Continued)

As at year-end, the credit risk arising from trade receivables is mitigated by bank guarantees issued by the bank in respect of customers as presented in Note 40.

##### Analysis of credit risk mitigation:

TZS '000	Notes	2021	2020
Trade receivables	23	46,277,317	41,090,916
Bank guarantees	40	(41,086,002)	(34,135,861)
<b>Unguaranteed trade receivables</b>		<b>5,191,315</b>	<b>6,955,055</b>

##### d. Liquidity risk

The Company manages its liquidity risk through the generation of enough revenue which is sufficient to cover its working capital needs for the foreseeable future.

TZS '000	On-demand	Less than 3 months	1 to 5 years	More than 5 years	Total
<b>At 31 December 2021</b>					
<b>Financial liabilities</b>					
Interest-bearing loan	-	-	-	-	-
Trade and other payables	1,654,242	75,272,164	5,439,634	-	82,366,040
Lease liabilities	-	-	1,241,412	2,051,959	3,260,295
	<b>1,654,242</b>	<b>75,272,164</b>	<b>6,681,046</b>	<b>2,051,959</b>	<b>85,626,334</b>
<b>31 December 2020</b>					
<b>Financial liabilities</b>					
Interest-bearing loan	-	5,021	-	-	5,021
Trade and other payables	1,920,868	59,589,949	5,499,703	-	67,993,703
Lease liabilities	-	-	5,534,421	2,098,116	7,632,537
	<b>1,920,858</b>	<b>59,594,970</b>	<b>11,034,124</b>	<b>2,098,116</b>	<b>75,631,261</b>

The amount for interest-bearing loans as at 31 Dec. 2021 refers to the only portion of interest payable on a past loan whose whole principal amount has already been paid. As such this amount equals the balance of the loan recorded on the statement of financial position since no interest is applicable.

The Company monitors its risk of shortage of funds using a recurring liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

creditors.

#### 43. FINANCIAL RISK MANAGEMENT (Continued)

##### e. Fair value measurements (Continued)

The different fair value measurement hierarchy levels have been defined as follows:

- Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.
- Level 2 - The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is categorized in level 2.
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)
- Except for the Company's non-current financial assets, the fair value of the Company's financial assets and liabilities reasonably approximates the carrying amounts.
- Trade and other receivables and payables, and bank balances: Due to the short-term nature of the financial instruments.
- Interest bearing loan: The interest rate charged on the loan is in line with market interest rates charged on similar loans and the Company's default risk is remote.

Description of valuation techniques used and key inputs to the valuation of other financial assets with non-current portion:

Valuation technique	Significant observable inputs	Range (weighted average)	
		2021	2020
Market approach	6 months LIBOR interest rates	1.91% - 0.29%	1.91% - 0.29%
	TZS: USD foreign exchange rates	2,337 - 2,323	2,321 - 2,337

Below describes the impact on changes in the fair value measurement, due to the upon possible shift of significant observable inputs.

TZS '000	Fair Value	Valuation Technique	Significant Observable Inputs	Weighted Average Input	Possible shift +/- (Absolute value)	Change in Valuation +/-
As at 31 December 2021	1,346,000	Market approach	6 months LIBOR interest rates	1.91%	1.62%	21,805/(21,805)
As at 31 December 2020	1,346,000	Market approach	6 months LIBOR interest rates	1.91%	1.62%	21,805/(21,805)



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 43. FINANCIAL RISK MANAGEMENT (Continued)

##### f. Capital management

The primary objective of the Company's capital management is to maximise shareholder value. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 35%. The Company includes within net debt, interest-bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

#### Financial liabilities less cash and cash equivalents

TZS '000	Notes	2021	2020
Interest-bearing loans	35	-	5,021
Trade and other payables	33	83,611,599	68,760,196
Cash and cash equivalents	26	(114,278,364)	(103,855,770)
<b>Net debt</b>		<b>(30,666,765)</b>	<b>(35,090,553)</b>
Total Equity		272,235,501	255,000,767
Capital and net debt		241,568,736	219,910,214
<b>Gearing ratio</b>		<b>0%</b>	<b>0%</b>

The gearing ratio at 0% as of 31 December 2021 (2020: 0%) due to the decrease in net debt and increase total equity.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 44. COVID-19 IMPACT ASSESSMENT

During the year 2021, the COVID -19 pandemic has continued to impact businesses, but at a slower rate compared to 2020, as many businesses have been slowly coming back to operations. Governments across the world have been uplifting national lockdowns, and most strict quarantine measures are being uplifted. Businesses globally continue to come back to usual operations. As the COVID -19 pandemic still exists, it is however not possible to accurately predict the full extent and duration of continuation in economic impact.

There does not currently appear to be either any significant impact on the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### 45. UKRAINE VS RUSSIA CONFLICT ASSESSMENT

As of April 2022, several countries (including the US, UK and EU) have imposed sanctions against certain entities and individuals in Russia as a result of invasion of Ukraine, a growing number of international companies continue to suspend trading in Russia.

These events and the consequential impact on global economies and markets are considered to be a non-adjusting subsequent events. The Company does not trade with Russia or Ukraine, and there has been no material impact on operations to date as a result of these events.

#### 46. EVENTS AFTER THE REPORTING DATE

There were no other events after the reporting date which require adjustment or disclosure in the financial statements.

#### 47. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors on the date shown on the statement of financial position on page 83. They are subject to approval by the shareholders during the Annual General Meeting.









HEIDELBERGCEMENT Group

## PROXY FORM

**FOR USE AT THE ANNUAL GENERAL MEETING OF  
TANZANIA PORTLAND CEMENT PUBLIC LIMITED COMPANY**

I/ We.....  
 of (Address).....a shareholder/ shareholders of  
 Tanzania Portland Cement Public Limited Company, hereby appoint (note1)  
 .....  
 of (Address) .....  
 as my/ our proxy to vote for me/ us on my/ our behalf at the Annual General Meeting of the  
 Company to be held

Location: At Ramada Hotel Date

Date: 25th May 2021 at 10:00 Hrs to 11:00 Hrs

and at any adjournment thereof.

Signature ..... (Notes 1 & 2) Dated .....

Notes:

1. If the appointor is a corporation, this proxy form must be executed under its seal or under the hand of an officer or attorney so authorised to sign the same in that behalf.
2. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be quoted in this proxy form.

Form to be returned at least 24 hours before the meeting, to the company's Share Registrars, CAD Securities Limited:

Attention: The Corporate Actions Manager

CAD Securities Limited

Whatsapp No. +255 777 787 845

Email: judith@cadsecurities.com or neemak@cadsecurities.com



HEIDELBERGCEMENT Group

## FOMU YA MWAKILISHI

**KWA MATUMIZI KWENYE MKUTANO MKUU WA MWAKA WA  
TANZANIA PORTLAND PUBLIC LIMITED COMPANY**

Mimi/Sisi.....  
 wa S.L.P..... nikiwa mwanahisa/ wanahisa  
 wa Kampuni ya Tanzania Portland Cement Public Limited Company, namteua (Zingatia 1) .....  
 .....  
 wa S.L.P.....  
 kama mwakilishi wangu/ wawakilishi wetu kupiga kura kwa ajili yangu/ yetu na kwa niaba yangu/  
 yetu katika Mkutano Mkuu wa Mwaka utakaofanyika

Mahali: Ramada Hotel

Tarehe: 25 Mei 2021 kuanzia saa nne asubuhi hadi saa tano asubuhi

au huu Mkutano ukiairishwa, katika huo Mkutano ulioairishwa.

Sahihi..... (Zingatia 1 na 2) Tarehe .....

Zingatia Yafuatayo:

1. Ikiwa mteuzi ni shirika au kampuni, fomu hii ni lazima iwe na muhuri wa moto wa kampuni husika na ipitishwe kwa maafisa wa kampuni, wakili au kwa mtu aliyeidhinishwa kutia saina nyaraka kwa niaba ya Kampuni
2. Ikiwa hisa zinamilikiwa na zaidi ya mtu mmoja, saina ya mwanahisa mmoja inakubalika endapo majina ya wamiliki wote wa hisa yameorodheshwa kwenye fomu hii ya uwakilishi.

Fomu irudishwe angalau masaa 24 kabla muda wa mkutano, kwa wawakilishi wa kampuni:

Kwake: Meneja Utendaji wa Kiofisi

CAD Securities Limited

Whatsapp Simu Namba. +255 777 787 845

Barua Pepe: judith@cadsecurities.com au neemak@cadsecurities.com

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TANZANIA PORTLAND CEMENT PUBLIC  
LIMITED COMPANY  
[www.twigacement.com](http://www.twigacement.com)

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