



2020

ANNUAL REPORT

HIGHWAY TO INDUSTRIALIZATION



TANZANIA PORTLAND CEMENT PUBLIC LIMITED COMPANY



FINANCIAL HIGHLIGHTS

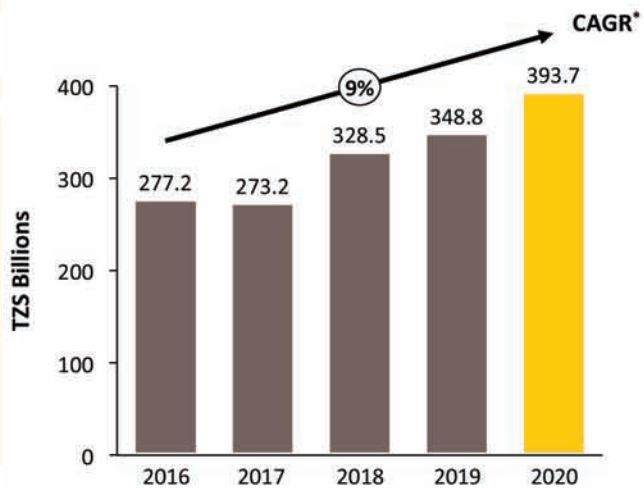
Figures in TZS' 1000



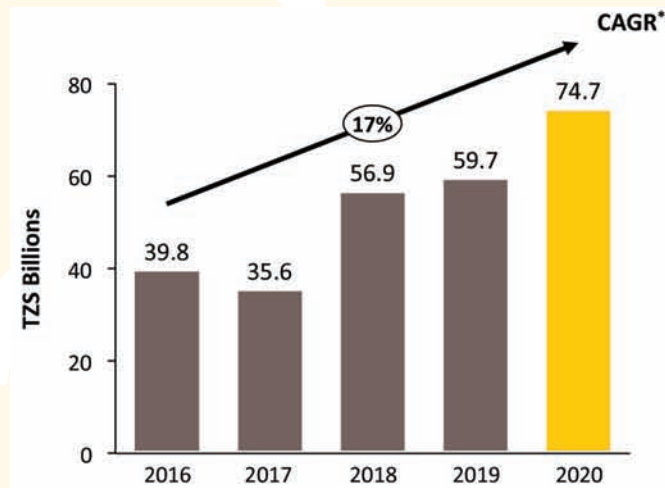
	2016 TZS '000	2017 TZS '000	2018 TZS '000	2019 TZS '000	2020 TZS '000
Number of employees (yearly average)	291	286	285	283	257
Revenue	277,226,967	273,157,459	328,499,013	348,828,076	393,739,557
Operating profit	53,887,091	62,672,790	80,061,037	87,255,704	104,945,101
Profit/loss for the financial year	39,837,793	35,596,393	56,866,094	59,703,284	74,676,370
Earnings per share (TZS)	221.42	197.84	316.06	332.00	415.00
Dividend per share (TZS)	270.00	290.00	290.00	290.00	390.00
Investments					
Total investments in fixed assets	4,915,052	5,326,099	9,805,974	10,884,098	12,345,541
Depreciation and amortisation	(17,912,591)	(18,066,388)	(17,806,015)	(18,257,703)	(17,296,680)
Balance sheet					
Non-current assets	165,953,492	169,923,915	149,766,234	151,279,650	140,771,629
Current assets	119,551,637	118,227,582	172,994,558	191,011,413	212,432,524
Equity	197,212,498	186,465,797	224,935,758	231,473,287	255,000,767
Non-current liabilities	33,787,789	32,088,012	29,240,226	28,290,770	21,842,023
Current liabilities	54,504,842	69,597,688	68,584,808	82,527,007	76,361,363
Balance Sheet Total	285,505,129	288,151,497	322,760,792	342,291,064	353,204,153
Net debt [(+) means geared]	12,607,702	10,904,562	(4,829,170)	622,877	(35,090,267)
Ratios					
OI Margin	19%	23%	24%	25%	27%
Net debt/shareholders' equity	6.4%	5.8%	0.0%	0.3%	0.0%
Net debt/OI	0.23x	0.17x	0.00x	0.01x	0.00x
Memo items:					
- Average exchange rate TZS/USD	2,252	2,246	2,284	2,321	2,334
- Closing exchange rate TZS/USD	2,248	2,244	2,310	2,302	2,337

ii

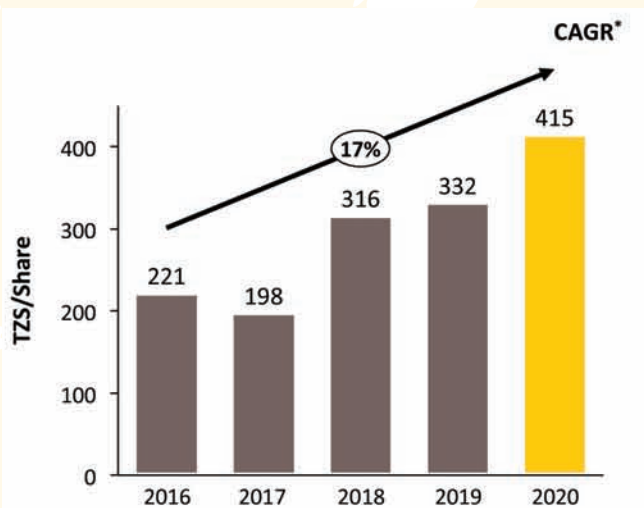
Revenue Development



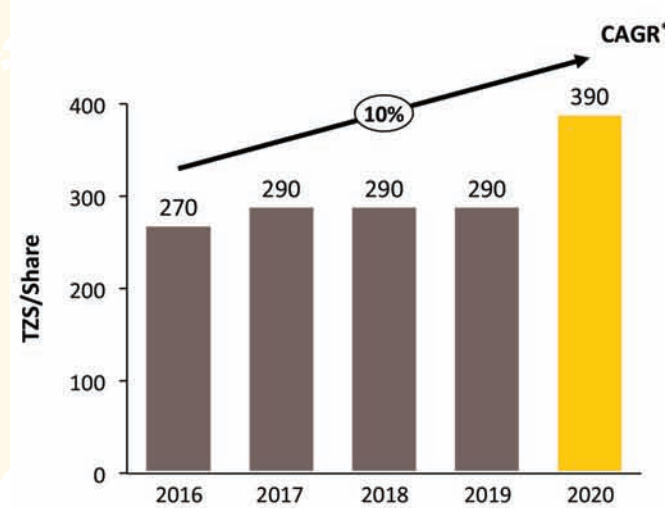
Profit/Loss in the Financial Year



Earning per Share



Dividend per Share



CAGR - Compound Annual Growth Rate

Contents

Operating Financial Review

1	financial highlights
1	Company information
1	Taarifa Muhimu za Kampuni
2	Letter of transmittal
2	Barua ya kuwasilisha
3	Chairman's Statement
5	Maelezo Mafupi ya Mwenyekiti
7	Managing Director's Report
11	Taarifa ya Mkurugenzi Mwendeshaji
16	Directors' Biography
16	Taarifa za Wakurugenzi
18	Key Management Personnel
18	Viongozi wa Kampuni
20	Directors' Report
27	Taarifa Ya Wakurugenzi

36	Corporate Social Responsibility
40	Statement Of Directors' Responsibilities
41	Declaration of the head of finance
43	Independent Auditors' Report

Tanzania Portland Cement Company Financial Statements

47	Statement of profit or loss and other comprehensive income
48	Statement of Financial Position
49	Statement of Changes In Equity
50	Statement of Cash flows
51	Notes to the Financial Statements
84	Proxy Form
85	Fomu ya Mwakilishi





REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

**MAHALI OFISI ILIPO SAJILIWA NA ENEO LA
SHUGHULI ZA KAMPUNI**

Tanzania Portland Cement Public Limited Company

Tegeta Wazo Hill
P.O. Box 1950
Dar es Salaam, Tanzania

GROUP NAME: JINA LA KIKUNDI

Heidelberg Cement AG

Berliner Straße 6
69120 Heidelberg
P.O. Box 268
Germany

BANKERS/ BENKI

Citibank (T) Limited

Plot 1962
Toure Druve, Oysterbay
P.O. Box 71625
Dar es Salaam, Tanzania

CRDB Bank PLC

PPF Tower
P.O. Box 268
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

LEGAL ADVISORS MAWAKILI

Law Associates Advocates

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

FB Attorneys

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

COMPANY SECRETARY KATIBU WA KAMPUNI

Mr. Brian Kangetta

Ngara Area, Parklands
P.O. Box 76491 - 00508
Nairobi, Kenya

TAX ADVISORS

WASHAURI WA MASWARA YA KODI

KPMG, Tanzania

2nd Floor, The Luminary
Haile Selassie Road, Masaki
P.O. Box 1160
Dar es Salaam, Tanzania

AUDITOR

WAKAGUZI WA HESABU ZA KAMPUNI

PricewaterhouseCoopers

Pemba House
369 Toure Drive
Oyster Bay
P.O. Box 45
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 2020 in accordance with section 166 of the Companies Act, 2002.

The report contains the Chairman's Statement, Managing Director's Report, Directors's Biography, Key Management Personnel, Director's Report, the Annual Accounts and Auditor's Report on the Accounts.

The Directors recommend a final dividend of TZS 390 per share (2019: TZS 290). There was no interim dividend paid for the year ended 31 December 2020.


Hakan Gurdal

CHAIRMAN

Tanzania Portland Cement Public Limited Company

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, 2020, kwa mujibu wa ibara ya 166 ya Sheria ya Kampuni ya mwaka, 2002.

Taarifa hii inajumuisha, Maelezo mafupi ya Mwenyekiti, Ripoti ya Mkurugenzi Mtendaji, Taarifa ya Wakurugenzi, Viongozi wa Kampuni, Ripoti ya Wakurugenzi, Hesabu za Mwaka na Ripoti ya Wakaguzi kuhusu hesabu hizo

Bodi ya Wakurugenzi inapendekeza gawio la TZS 390 kwa kila hisa kwa mwaka 2020 (2019: TZS 290). Hakukuwepo na gawio la awali lililolipwa kwa mwaka 2020.


Hakan Gurdal

MWENYEKITI

Tanzania Portland Cement Public Limited Company

w

CHAIRMAN'S
STATEMENT

Chairman's Statement

TPCPLC delivered a strong operating result when compared to the year 2019. The strong market position TPCPLC has today is the achievement of the entire TPCPLC team

Mr. Hakan Gurdal Board Director Chairman
Tanzania Portland Cement Public Limited Company

Introduction

Dear Shareholders,
Dear Employees, Dear Friends of the Twiga Cement family,
As Chairman of the Board, I want to express my deep condolences to the family of the late president Dr. John Pombe Joseph Magufuli and all Tanzanians, may he rest in peace. At the same time, I want to wish all the best to Her Excellency the President of the United Republic of Tanzania Hon. Samia Suluhu Hassan, I am sure she will continue being a driver of Tanzanian growth, to which TPCPLC will be honoured to contribute in the future, as in the past.

In many ways, 2020 was an extraordinary year for all of us. As Chairman of the Board, it is both an honour and a privilege to deliver this statement on behalf of the Board of Directors and the Twiga Cement family. It gives me great pleasure to report that despite strong competition in the cement manufacturing industry,

TPCPLC delivered a strong operating result when compared to the year 2019. The strong market position TPCPLC has today is the achievement of the entire TPCPLC team, of which I am very proud. My thanks, therefore, go to all employees for their extraordinary commitment.

As in previous years, TPCPLC 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 TPCPLC winning the AEM Brainstorming Award for Innovation 2020. Congratulations.

Economic and Business Environment

The Tanzanian economy growth slowed down a bit, growing at about 4.5% in 2020 compared to 7% in 2019(Source:TNBS). The Tanzanian Shillings exchange rate has remained stable versus main foreign currencies in 2020, 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 TPCPLC management structures, underscoring the efficiency of the cost fitness plans developed in the previous years.

Financial Performance

Despite the competitive environment, TPCPLC again achieved a record in sales volumes in 2020. This was a result of high production efficiency, the commitment of our employees,



implementation of efficient sales strategies and the enhancement of product portfolio.

Turnover and sales volume increased by 6%, and this increased revenue, combined with disciplined cost management led to an unprecedented operating profit increase of 20% when compared to the previous year. TPCPLC recorded an Operating Profit of TZS 104.9 billion mainly due to higher volumes, stable pricing and efficient production processes leading to strong cost control.

Prospects

It is a very competitive market, but with the anticipated catchup of growth in cement demand, we believe that TPCPLC 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. We believe these factors continue to allow TPCPLC to meet the objective of maintaining and extending its leadership

position in the market, leaving TPCPLC 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 2020 of TZS 390 per share. This is planned to be paid in June 2021.

Corporate Citizenship

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

TPCPLC 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 TPCPLC'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 TPCPLC will continue its strong performance and deliver value to the shareholders in the future.

MAELEZO MAFUPI YA MWENYEKITI



Maelezo Mafupi ya Mwenyekiti

TPCPLC ilitoa matokeo mazuri ya uendeshaji ikilinganishwa na mwaka 2019. Nafasi nzuri tuliyonayo leo katika soko la saruji ni mafanikio ya timu nzima ya TPCPLC

Mr. Hakari Gurdal Mwenyekiti wa Board
Tanzania Portland Cement Public Limited Company

Utangulizi

Ndugu Wanahisa

Wapendwa Wafanyakazi, Marafiki wa familia ya Twiga, Kama mwenyekiti wa bodi, ningependa kutoa salamu zangu za rambirambi kwa familia ya hayati Raisi Dk. John Pombe Joseph Magufuli na kwa Watanzania wote kwa ujumla, apate pumziko la amani. Wakati huo huo, ningependa kumpongeza na kumtakia kila la kheri Raisi wa Jamhuri ya Muungano wa Tanzania Mheshimiwa Samia Suluhu Hassan, nina hakika ataendelea kuwa chachu katika ukuaji wa uchumi wa Tanzania, na TPCPLC kuendelea kuchangia katika maendeleo siku za usoni kama hapo zamani.

Mwaka 2020 ilikuwa mwaka wa bora kwetu sote. Kama Mwenyekiti wa Bodi, kwa heshima na taadhima, napenda 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, TPCPLC ilitoa matokeo mazuri ya uendeshaji ikilinganishwa na mwaka 2019. Nafasi nzuri tuliyonayo leo katika soko la saruji ni mafanikio ya timu nzima ya TPCPLC, ambayo ninajivunia sana. Shukrani zangu ziende kwa wafanyakazi wote kwa kujitolea kwao.

Kama ilivyokuwa kwa miaka iliyopita, Kampuni imeendelea kufaidika na programu maalum za kuboresha utendaji kazi (CIP na AEM Brainstorming). Utekelezaji wa programu hizi ulipelekea Kampuni kupunguza gharama na kuboresha taratibu mbalimbali za kazi. Matokeo yatokanayo 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 wafanyakazi fursa ya kutoa mawazo na hii imepelekea TPCPLC kushinda tuzo ya "AEM Brainstorming and Innovation" ya mwaka 2020. Hongereni sana.

Mtazamo wa Uchumi na Biashara

Ukuaji wa uchumi Tanzania ulishuka kiasi kufikia takribani asilimia 4.5 mwaka 2020 ikilinganishwa na 7% mwaka 2019 (chanzo: TNBS).

Thamani ya sarafu ya Tanzania imekuwa imara dhidi ya sarafu kuu za kigeni mwaka 2020, jambo ambalo limesaidia kudhibiti athari za mfumuko wa bei kwenye nishati na mafuta.

Utendaji wa Kifedha

Pamoja na ushindani katika soko, kampuni iliweza kufikia kiwango cha juu cha mauzo ya saruji. 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 6. Ongezeko la mapato pamoja na mbinu bora za kuthibiti



gharama iliwezesha faida ya uendeshaji kukua kwa asilimia 20 ikilinganishwa na mwaka uliopita. Faida ya uendeshaji ya shilingi bilioni 104.9 za Kitanzania imetokana na ongezeko la mauzo, bei thabiti, na ufanisi katika uzalishaji uliosababisha 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 kuendela kutimiza malengo ya kuendelea kushika uongozi katika soko la saruji, na hivyo na kuiweka Kampuni katika hatua nzuri ya ukuaji endelevu na wenye faida kwa siku zijazo.

Gawio

Bodi inaendelea kuahakikisha kuwa inaongeza thamani ya wanahisa na tunaamini kuwa kwa kufuata mikakati yetu, tutafanikisha hili. Bodi imependekezwa gawio la Shilingi 390 kwa hisa kwa mwaka 2020. Gawio pendekezwa litalipwa mwezi Juni 2021.

Urai Mwema

TPCPLC imejitolea kikamilifu katika utunzaji endelevu wa mazingira pamoja na masuala ya kijamii na kuendelea 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.

TPCPLC 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.

MANAGING DIRECTOR'S
REPORT

Mr. Alfonso Velez Managing Director
Tanzania Portland Cement Public Limited Company

Value Created in 2020

TZS 393.7
billion

Revenue

+13%

TZS 74.7
billion

**Profit for
the Year**

+25%

TZS 12.4
billion

Investments

+13%

In 2020, TPCPLC reached a new sales record, the cement market continued to grow around 7%, which was beyond GDP (4.5%) but below previous year.

Introduction

Year 2020 has been again a positive year for TPCPLC. Despite the Covid-19 pandemic, the strong infrastructure development continued, enabling the cement and construction industry to continue to grow at a similar pace as the prior year. Competition was tough, and despite the cement overcapacity in the local market, there was a shortage in the second half due to technical problems of our competitors' plants. On the other hand, TPCPLC was selling more and has achieved the sales record. Twiga Cement remains the market leader and has improved again compared to previous year results.

Once more in 2020, we achieved new records in production, dispatching and cement sales, following a volumes strategy to offset the general price downward trend of the last ten years.

TPCPLC has sold 7% more of cement than in 2019. Also, the clinker output increased by 2% more compared to the previous year, remaining the second-best ever year in terms of clinker production.

The Operating Profit increased by 20% compared with the previous year, the drivers have been the sales volume increase and operational excellence. This performance has provided the context to increase the dividends by 34% to our shareholders.

The strong and loyal customer network made it possible to increase our volumes, extending our commercial efforts throughout the country and to neighbouring countries, where exports have increased again 13% over previous year, spreading the Twiga brand recognition beyond our borders.

Pressure on price, together with large and new cement capacities will remain a challenge for the industry. However, we are confident our teams, products and services will keep supporting our customers to find the best solutions and will continue to secure value creation for our stakeholders.



Sales

In 2020, TPCPLC reached a new sales record, the cement market continued to grow around 7%, which was beyond GDP (4.5%) but below previous year. Estimated cement market demand in Tanzania reached 5.9 million tons, including exports. Ongoing large infrastructure projects included new roads, SGR, Dar Es Salaam port in continuous expansion, flyovers, hydropower projects and bridges, have heavily contributed to the growth of the infrastructural activity in Tanzania in 2020. Twiga brand is deeply involved in all these projects. The trend remains strong and in the last six years, total sales have increased by 57%, and the exports in the same period have increased seven times.

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 are low, but TPCPLC has adapted to the new market conditions by supporting the commercial team, targeting all the regions in the Country and working closely with our distributors to position our products in every market segment. The overcapacity

in the Tanzanian cement industry represents around 5 million tons, this scenario will bring tough competition in the months to come.

Despite this difficult market environment, TPCPLC is determined to remain the market leader by delivering top quality products and keeping customer satisfaction as the focus of all our efforts and actions. Exports to neighbouring countries will continue to remain critical to optimize the capacity utilization faced by the Tanzanian cement industry in recent years.

Operations

In 2020, TPCPLC was able to go beyond the targets for clinker production and hit a new record for dispatching and cement production. Kilns and mills operating coefficients have improved, and production rates are better than budget and last year. Fuel efficiency, expert system implementation and better power monitoring are each contributing to avoid idle running hours. Further, improving the performance of our equipment and maximizing capacity utilization is a top priority for our technical team. The year 2020 shows a positive trend in the consumption

of higher quality cement, having an impact on the clinker incorporation. Operational excellence was critical 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 TPCPLC to improve full year results.

TPCPLC is investing more than in the previous years to increase our cement capacity by 13%, our capital expenditure projects focused on cement mills and kilns 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 extensively explored the different opportunities to improve energy management, mainly related to gas consumption. This year, these efforts have realized the lowest heat consumption ever. On the other hand, our procurement team has also exploited some of the potential savings linked to raw material sourcing.

MANAGING DIRECTOR'S REPORT

It is a priority to provide top quality products to our customers, and therefore the quality control system is key for Twiga to secure the highest quality standard within the industry. TPCPLC cement plant at Wazo Hill goes beyond the environmental regulations and is fully committed to reducing CO2 emissions by operating the kilns with gas and increasing the use of alternative fuels.

Financial Performance

In the year 2020, TPCPLC managed to achieve an Operating Profit of 105 bn TZS, 20% above 2019, mainly due to higher total revenue (13%), despite the slightly higher variable cost, and managing fixed costs below previous year. The profit for the year 2020 after taxes is 74.6 bn TZS, which is 25% better than previous year. In terms of tax expenses, have increased by 25% compared to 2019. Earnings per share have increased from 332 TZS to 415 TZS in 2020.

The cash flow position has also improved by 43% and our balance sheet remains robust and healthy, mainly due to higher current assets, particularly higher cash and cash equivalents. This has made it possible to deliver good, stable and predictable dividends to our shareholders for one more year. Dividends are proposed to increase by 34% in 2020, from 290 TZS per share to 390 TZS per share.

The year 2020 was also critical to move forward and consolidate the organization and processes at the Country level, but also a good opportunity for TPCPLC to continue leading and coach the East African Cluster with its best practices. All these efforts together with the operational improvements are making it possible to offset the stiff competition and face the coming challenges with a stronger financial position.

Corporate Citizenship

TPCPLC's top priority in 2020 has been achieved, which is to protect our employees and prevent potential accidents and

incidents at the workplace. A zero fatality target is a must, also to improve our performance indicators regarding Health and Safety as well as OHSAS 18001 certification renewal. TPCPLC closed the year without fatalities in own and third-party employees which clearly reflects the full commitment of the Team.

TPCPLC carried out various environmental programs as per its environmental management plan. 24 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, TPCPLC employees and contractors. These training or workshops carried out were about quarry rehabilitation and promotion of urban forestry concepts in cement factories. By December 2020, 170,378 tree seedlings were donated for greening activities to the mentioned stakeholders from our tree nursery, and 72,124 were planted for quarry rehabilitation within the factory. At the same time in 2020, we had a surveillance renewal audit for environment standard ISO 14001:2015 and we retained our certification.

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 the year 2020, the company intentionally and thoughtfully contributed to changing the lives of communities surrounding the plant, and beyond. We especially worked with different schools and non-profit organizations to strengthen student's interest in ICT 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. Other challenges, such as the global impact of

Covid-19 will continue having a negative impact on our supply chain. However, TPCPLC is moving fast to increase its cement capacity with several ongoing projects to be concluded within 2021, such as the CKD project, cement mill two rehabilitation, or the calcined clay project. The use of alternative fuels is also becoming a new priority.

Our target is to reduce the thermal cost as well as the CO2 emissions, align TPCPLC with the HeidelbergCement group CO2 roadmap and continue to lead the environmental policies within the industry in Tanzania. In this new scenario, TPCPLC will keep the leadership position and will remain fully committed to supporting the ongoing growth of the Country, by developing high-quality products to be delivered in all territories at an accessible price.

We will keep our strong focus on production cost reduction initiatives and process improvement programs, giving priority to the sales volume strategy, which does not rely on price. Our top priority remains the health and safety of our employees.

TPCPLC leads the industry with the highest standards to become a reference in the market, making sure our customers and stakeholders are the beneficiaries of our various efforts and initiatives. TPCPLC is a customer-oriented Company, fully committed to providing 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, suppliers and employees for their support during the year. We have confidence that TPCPLC will continue to deliver greater value for our shareholders in 2021.



TAARIFA YA
MKURUGENZI MTENDAJI

Mr. Alfonso Velez Managing Director
Tanzania Portland Cement Public Limited Company

Thamani Iliyotengenezwa na Kampuni Mwaka 2020

TZS 393.7
bilioni

Mapato

+13%

TZS 74.7
bilioni

**Faida ya
Mwaka**

+25%

TZS 12.4
bilioni

Uwekezaji

+13%

Mwaka 2020, TPCPLC ilifikia rekodi mpya ya mauzo, soko la saruji limeendelea kukua kwa asilimia 7, ambayo ni zaidi ya ukuaji wa Pato la Taifa (4.5%) lakini chini ya mwaka uliopita.

Utangulizi

Mwaka 2020 umekuwa wenye mafanikio kwa Kampuni. Pamoja na janga la ugonjwa wa Covid-19, uwekezaji mkubwa kwenye miundombinu umewezesha sekta ya saruji na ujenzi kukua kwa uwiano sawa na mwaka uliopita. Ushindani ulikuwa mkubwa, licha ya uwepo wa viwanda vyenye uwezo wa kuzalisha saruji zaidi ya mahitaji ya soko, kulikuwa na uhaba wa saruji katika nusu ya pili ya mwaka kutokana na matatizo ya kiufundi ya mitambo ya washindani wetu. Kwa upande mwingine, Kiwanda kiliuza zaidi na kuweka rekodi mpya ya mauzo. Kampuni iliua zaidi ikilinganishwa na viwanda vingine vya saruji. Kampuni imeendelea kufanya vizuri kuliko mwaka uliopita.

Kwa mara nyingine, Mwaka 2020, tumefanikiwa kuweka rekodi mpya kwenye uzalishaji, upakiaji na uuzaji wa saruji na imetokana na mkakati wa kukabiliana na ushukaji wa bei ya saruji kwa kipindi cha miaka kumi iliyopita. Kampuni imeuza saruji kwa asilimia 7 ya saruji zaidi ya mwaka 2019. Pia, uzalishaji wa klinka umeongezeka kwa asilimia 2 zaidi kulinganisha na mwaka uliopita, hivyo kuufanya mwaka 2020 kuwa mwaka wa pili bora zaidi katika uzalishaji wa klinka.

Faida ya uendeshaji imeongezeka kwa asilimia 20 ikilinganishwa na mwaka uliopita, haya yote yalitokana na ongezeko la mauzo na ufanisi katika uendeshaji wa kiwanda. Hivyo basi, kutoa fursa kwa Kampuni kuongeza gawio kwa wanahisa kwa asilimia 34.

Mtandao wetu wa wateja na ufanisi wetu wa kibiashara kote nchini na nchi za jirani vimechangia ongezeko la mauzo ya saruji. Mauzo ya saruji kwenda nchi jirani yameongezeka tena kwa asilimia 13 ikilinganishwa na mwaka uliopita, na hivyo kueneza chapa ya Twiga nje ya mipaka ya Tanzania.



Bei pamoja na uwezo mkubwa wa ziada wa uzalishaji saruji vitabakia kuwa changamoto kwenye sekta ya saruji. Hata hivyo, tuna hakika kuwa timu yetu, bidhaa na huduma zitaendelea kuwa msaada mkubwa kwa wateja katika kupata suluhisho bora zaidi na kuendelea kuongeza thamani kwa wadau wetu.

Mauzo

Mwaka 2020, TPCPLC ilifikia rekodi mpya ya mauzo, soko la saruji limeendelea kukua kwa asilimia 7, ambayo ni zaidi ya ukuaji wa Pato la Taifa (4.5%) lakini chini ya mwaka uliopita. Makadirio ya soko la saruji nchini yalifikia Shilingi 5.9 milioni, ikiwa ni pamoja na mauzo ya nje ya nchi. Miradi mikubwa ya miundombinu inayoendelea kama barabara, reli (SGR), upanuzi endelevu wa Bandari ya Dar Es Salaam, barabara za juu, miradi ya umeme na madaraja zimechangia sana katika ukuaji wa shughuli za miundo mbinu nchini kwa mwaka 2020. Saruji ya chapa ya Twiga imetumika kwa kiasi kikubwa katika miradi hii yote. Mwelekeo wa mauzo umebaki kuwa mzuri, ndani ya kipindi cha miaka sita mauzo ya saruji yameongezeka kwa asilimia 57 na mauzo ya saruji nje ya nchi katika kipindi cha miaka sita yameongezeka mara saba zaidi.

Sekta ya saruji inajumuisha viwanda sita (6) vya uzalishaji wa saruji na viwanda kadhaa vya kusaga saruji ambavyo vina uwezo wa kuzalisha tani milioni 11 kufikia mwishoni mwa mwaka 2021. Uwezo halisi wa uzalishaji umekuwa mdogo, hata hivyo Kampuni imeendelea kuchukua hatua za dhati ikiwa ni pamoja na kuwekeza kwenye timu ya mauzo, kufikia mikoa yote nchini na kufanya kazi kwa ukaribu zaidi na wasambazaji wetu kuhakikisha kuwa bidhaa zetu zinakuwepo katika kila sehemu ya soko. Saruji ya ziada inayokadiriwa kufikia tani milioni 5, hii nadharia inaweza kuleta ushindani mkubwa mgumu miezi ijayo

Licha ya ushindani mkali sokoni, TPCPLC imedhamiria kuendelea kuwa kinara sokoni kwa kusambaza bidhaa zenye ubora wa hali ya juu na kuhakikisha tunakidhi mahitaji na matamano ya wateja wetu. Mauzo kwa nchi za jirani yatabakia kuwa muhimu sana ili kuweza kuuza zaidi kufuatia changamoto za soko la saruji nchini.

Uendeshaji

Mwaka 2020, TPCPLC iliweza kuzalisha zaidi ya malengo ya uzalishaji wa klinka na kufikia rekodi mpya ya usambazaji na uzalishaji wa saruji. Ufanisi wa matanuru ya klinka na vinu vya

kusaga saruji umeendelea kuimarika na kiwango cha uzalishaji kimeongezeka kupita makisio na mwaka uliopita. Ufanisi wa matumizi ya nishati joto, wataalamu wa kiufundi na ufuatiliaji bora wa matumizi ya nishati vyote vimechangia kuhakikisha mitambo inafanya kazi vizuri. Mwaka 2020 umetoa mwenendo mzuri katika matumizi bora ya saruji na matumizi ya klinka katika uzalishaji wa saruji. Ili kuendelea kuwa washindani katika soko, mkazo uliwekwa kwenye ufanisi na kupunguza gharama za uzalishaji.

Jithada zilizofanywa ndani ya mwaka 2020 kwenye upande wa uendeshaji wa kiwanda ili kuongeza uzalishaji wa klinka, ni pamoja na kuzingatia kuzalisha bidhaa zenye ubora wa hali ya juu, wakati huo huo kudumisha mahusiano bora na wateja. Jithada hizi zimeipatia Kampuni fursa ya kuboresha mapato ya mwaka.

Kiwango cha uwekezaji kimeendelea kuongezeka ikilinganishwa na miaka iliyopita ili kuipa Kampuni uwezo wa kuzalisha saruji kwa asilimia 13 zaidi. Miradi hii inalenga vinu vya saruji na matanuru ya klinka ili kuendana na ukuaji wa uzalishaji wa saruji na klinka. Kutokana na uwekezaji huu, mauzo yameweza kuongezeka kwa asilimia 27 ndani ya miaka 5 iliyopita. Pia,

TAARIFA YA MKURUGENZI MTENDAJI

tunaangalia fursa nyingine zitakazoleta tija katika usimamizi wa nishati, hasa kuhusiana na matumizi ya gesi. Mwaka huu, juhudi hizi zimesaidia kuweka rekodi ya matumizi kidogo ya nishati joto kuwahi kutokea. Kwa upande mwingine, timu yetu ya manunuzi pia imeweza kupunguza gharama za manunuzi hasa kutokana na ufanisi katika manunuzi ya malighafi.

Ni kipaumbele chetu kuwapatia bidhaa bora wateja wetu, na hivyo mfumo thabiti wa kusimamia ubora ni jambo la msingi kwa Twiga ili kulinda viwango vya ubora wa bidhaa zetu katika soko la saruji. Kiwanda cha saruji (TPCPLC) kilichopo Wazo Hill kinafuata kanuni za mazingira na kuchukua hatua za ziada na pia kujitolea kikamilifu kupunguza utoaji wa hewa chafu (CO₂) kwa kuendesha matanuru ya klinika kwa kutumia gesi na kuongeza matumizi ya nishati mbadala.

Utendaji wa Fedha

Mwaka 2020, TPCPLC ilifanikiwa kufikia faida ya uendeshaji kiasi cha Shilingi bilioni 105, asilimia 20 zaidi ya mwaka 2019, hasa kutokana na mapato ya jumla (13%), licha ya gharama za uzalishaji kuongezeka kidogo. Faida kwa mwaka 2020 baada ya kodi ni shilingi bilioni 74.6, ambayo ni asilimia 25 zaidi ya mwaka uliopita. Kodi imeongezeka kwa asilimia 25 ikilinganishwa na mwaka 2019. Mapato kwa kila hisa yameongezeka kutoka Shilingi 332 hadi Shilingi 415 mwaka 2020.

Uwezo wa kifedha umeimarika kwa asilimia 43 na taarifa ya hali ya fedha bado 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 kuongezeka kwa asilimia 34 mwaka 2020, kutoka Shilingi 290 kwa hisa hadi Shilingi 390 kwa hisa.

Mwaka 2020 Kampuni iliweza kuboresha taratibu za utendaji kutoa fursa kwa Kampuni kutoa mwelekeo na mafunzo kwa kampuni dada zilizo katika ukanda wa Afrika Mashariki na Kati. Juhudi hizi zote zimewezesha Kampuni kukabiliana na ushindani mkali na changamoto zijazo.

Uraia Mwema

Vipaumbele vya juu vya TPCPLC 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 kuhuhisha ithibati OHSAS 18001. TPCPLC ilifunga mwaka bila kua na kifo chochote cha wafanyakazi wake wala makandarasi, hii inaakisi uwajibikaji na uadilifu mkubwa wa timu yetu.

TPCPLC imetekeleza shughuli mbalimbali za mazingira kama ilivyoainishwa kwenye mpango wake wa mazingira. Mafunzo ishirini na nne yaliendeshwa na Kampuni mwaka 2020, mafunzo haya yaliendeshwa ndani ya machimbo yetu ya Wazo. Washiriki walikuwa wadau kutoka taasisi zisizo za kiserikali, manisipaa, vyuo vikuu, taasisi za serikali na diplomasia, shule za msingi, sekondari, wafanyakazi wa TPCPLC na makandarasi. Mafunzo haya katika machimbo kama njia ya kuhamasisha utunzaji wa miti katika maeneo ya mijini na maeneo ambapo viwanda vya saruji vipo.

Hadi kufikia Desemba 2020, miche 170,378 ilitolewa kwa shughuli za kijamii kwa wadau waliotajwa kutoka katika vitalu vilivyopo katika machimbo, na miti 72,124 ilipandawa katika machimbo ndani ya kiwanda ili kurejesha hali yake ya awali. Pia mwaka 2020, tulifanyiwa ukaguzi wa ufuatiliaji wa viwango cha mazingira ISO 14001:2015 na tulifanikiwa kuhuhisha ithibiti yetu.

Kwenye nyanja ya jamii, Kampuni ilizisaidia taasisi zisizo za kiserikali, mashule na taasisi za serikali kakatika kutoa mafunzo ya kutunza mazingira na kuimarisha jamii nchini. Kwa mwaka 2019 Kampuni ilichangia kubadilisha maisha ya jamii zinazo zunguka kiwanda na pembezoni. Tulifanya kazi na shule mbali mbali na mashirika yasiyo ya kiserikali ili kuimarisha ufundishaji wa Teknolojia ya Habari na Mawasiliano (TEHAMA) kwa wanafunzi. Msaada kimiundombinu kama saruji na utaalam pia vilitolewa kwa shule na mashirika mbalimbali nchini.

Matarajio

Sekta ya viwanda vya saruji itaendelea kupata ushindani mkubwa kwa sababu ya viwanda vipya vya saruji. Changamoto zingine, kama vile athari za (homa ya mapafu) Covid-19 zitaendelea kuwa changamoto kwenye usambazaji wa saruji. Hata hivyo, TPCPLC inasonga kwa bidii ili kuongeza uwezo wake wa kutengeneza saruji tukiwa na miradi kadhaa inayotegemea kuhitimishwa ndani ya mwaka 2021, miradi hii ni pamoja na mradi wa CKD, ukarabati na uimarishaji wa kinu cha saruji namba mbili. Matumizi ya nishati mbadala pia yamekuwa kipaumbele chetu.

Lengo letu ni kupunguza gharama za nishati joto pamoja na uzalishaji wa hewa chafu (CO₂), kuhakikisha TPCPLC inafuata vigezo na mwongozo wa Kampuni mama HeidelbergCementAg katika kudhibiti uzalishaji wa hewa chafu (CO₂) na kuendelea kuwa mfano wa kuigwa kwenye sera za mazingira nchini. Hivyo, TPCPLC itaendelea kua mstari wa mbele na kuendelea kujitoka kikamilifu kusaidia ukuaji endelevu nchini, kwa kutengeneza bidhaa zenye ubora zitakazo sambazwa mahali popote kwa bei nafuu.

Tunaweka malengo thabiti kupunguza gharama za uzalishaji na uboreshaji wa michakato ya uzalishaji, tunaupa kipaumbele mkakati wa kuongeza mauzo kwa kuongeza usambazaji badala ya kutegemea bei. Kipaumbele chetu cha muhimu zaidi ni kulinda usalama na afya bora kwa wafanyakazi wetu.

TPCPLC 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. TPCPLC 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 tusaiaid kufika hapa tulipo kwa mwaka mzima. Tuna imani kubwa kuwa







Mr. Hakan Gurdal
Turkish/ Mturuki

(Engineer, Masters Degree in Business Administration)

Mr. Hakan Gurdal was appointed Chairman of TPCPLC Board in August 2017. Hakan Gurdal 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 Akansa) in 1992. Gurdal is a member of the Managing Board since 2016; in charge of the Africa-Eastern Mediterranean Basin Group area and Purchasing.

Bw. Hakan Gurdal aliteuliwa Mwenyekiti wa Bodi ya Wakurugenzi wa TPCPLC mwezi Agosti 2017. Hakan 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. Francesco Brambilla
Italian/Muitaliano

Engineer, Master Degree in Business Administration (MBA)

Mr. Francesco Brambilla was appointed as TPCPLC board of member in April 2018. He graduated in Civil Engineering from Pavia university (IT) and holds an MBA from Essec Business School (FRA) and Mannheim Business School (GER).

Francesco 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 Francesco has covered several managerial positions both in operations and in strategy & business development, in Europe and in Africa.

Francesco aliteuliwa kuwa mjumbe wa bodi ya TPCPLC mwezi April 2018. 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).

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, Francesco alishika nyadhifa mbalimbali za kiutawala kwenye masuala ya uendeshaji, sera na biashara katika bara la Ulaya na Afrika.

Mr. Alfonso Velez
Spanish/ Mhispania

(Phd Economics & Business Organisation and Masters Degree in Business Administration (MBA))

Mr. Alfonso Velez was appointed as the Managing Director of TPCPLC from August 2016. In August 2017, Alfonso 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 & Business Organization from University of Granada, MBA Corporate Finance from University of Dallas. Alfonso has a vast experience in cement industry and related companies in Europe before joining Heidelberg Cement Group in 2013 as the Managing Director of CIMBENIN.

Bw. Alfonso Velez aliteuliwa kuwa Mkurugenzi Mtendaji wa TPCPLC mwezi Agosti 2016. Mwezi Agosti 2017 aliteuliwa kuwa meneja mkuu wa kanda ya kati kusini mashariki ya Africa ambayo hujumuisha nchi za Tanzania, Congo DRC, Msumbiji na Afrika Kusini. Alfonso Velez amesomea shahada ya uzamifu katika uchumi katika Chuo Kikuu cha Granada, Shahada ya pili ya masuala ya fedha (MBA) katika Chuo Kikuu cha Dallas. 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.



Mr. Gary Whitehead
British/ Muingereza

(FCCA)

Mr. Gary Whitehead worked with the Hanson Group for 15 years, joining the HeidelbergCement Group in 2007 when Hanson was acquired by HeidelbergCement AG. Gary worked within the United Kingdom business in various senior Finance roles before being appointed the Chief Finance Officer of the Turkish JV, Akcansa in 2010. He joined HeidelbergCement Africa in November 2012 as the CFO for HC Africa Group of Companies. Gary was appointed to the Board of TPCPLC in December 2012.

Bw. Gary Whitehead alifanya kazi kwa miaka 15 na kundi la makampuni la Hanson na alijiunga na kundi la makampuni la HeidelbergCement kufuatia kundi la makampuni ya Hanson kununuliwa na HeidelbergCement mwaka 2007. Gary alishika nafasi mbalimbali ya juu katika idara ya fedha hadi alipoteuliwa kuwa Afisa Fedha Mkuu wa Turkish JV, Akcansa mwaka 2010. Gary alijiunga na HeidelbergCement Afrika mnamo November 2012 akiwa Afisa Fedha Mkuu wa kundi la makampuni la HC Africa. Aliteuliwa kuwa mjumbe wa Bodi ya Wakurugenzi wa TPCPLC mwezi Desemba 2012.

Mr. Oswald Martin Urassa
Tanzanian/ Mtanzania

(MBA Finance from the University of Strathclyde Business of School, FCCA)

Mr. Oswald Urassa is a CFO of Tanzania Mortgage Refinance Co. Ltd. Urassa 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). Urassa 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).

Bw. Oswald Urassa ni Mtendaji Mkuu wa Idara ya Fedha ya kampuni ya Tanzania Mortgage Refinance. 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). 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.

Ruth Henry Zaipuna
Tanzanian/ Mtanzania

(Masters Degree in Business Administration, CPA-PP)

Mrs. Ruth Zaipuna is the CEO at NMB Bank PLC, and prior to joining NMB Bank PLC, Ruth had worked with Standard Chartered Bank Tanzania and PricewaterhouseCoopers (PwC). She studied finance at the University of Dar es Salaam and she is registered by the National Board of Accountants and Auditors, in the category of Certified Public Accountant in Public Practice (CPA-PP).

Bi. Ruth Zaipuna ni Mkurugenzi Mtendaji wa NMB Bank PLC. Kabla ya kujiunga na NMB Bank PLC, Ruth aliwahi kufanya kazi na Standard Chartered Bank Tanzania na PricewaterhouseCoopers (PwC). Ruth amesomea shahada ya pili ya biashara (MBA) katika Chuo Kikuu cha Dar es Salaam. Pia, Ruth amesajiliwa na kuthibitishwa kama mhasibu (CPA-PP) na Bodi ya Taifa ya Wahasibu na Wakaguzi (NBAA).

KEY MANAGEMENT
PERSONNEL



Mr. Peter James
Finance Director



Mr. Richard Magoda
Environmental Manager



Mr. Ian Dobson
Procurement Director



Evaline Mushi
Director of Human Resources



Mr. Alfonso Velez
Managing Director



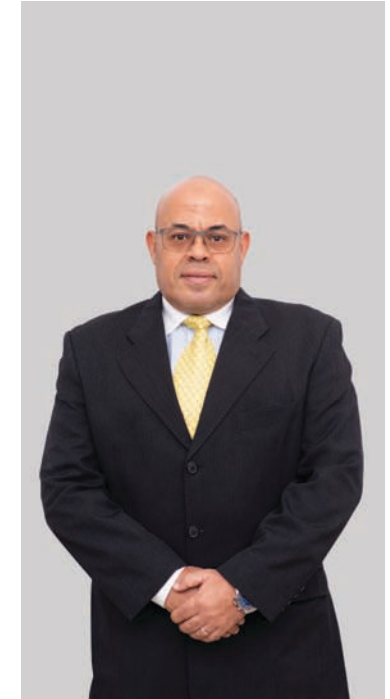
Mr. Gregory Ndimbo
Internal Audit & Quality Assurance Manager



Mr. Jerome Mwakabaga
Health & Safety Manager



Mr. Yves Mataigne
Commercial Director



Mr. Ahmed Elsayry
Plant Manager

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the financial year ended 31 December 2020 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

The principal activity during the year under review was the manufacture and sale of cement.

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.

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	52	Engineer, MBA
Mr Gary Whitehead	Director	British	50	FCCA
Mr Alfonso Velez	Managing Director	Spanish	52	MBA
Mr Oswald Martin Urassa	Director	Tanzanian	54	B.com, MBA, CPA(T)
Mrs Ruth Henry Zaipuna	Director	Tanzanian	47	B.com, MBA, CPA(T)
Mr Francesco Brambilla	Director	Italian	49	Engineer

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

The Company Secretary during the year ended 31 December 2020 was Mr Brian Kangetta (Kenyan), 43 years old.

7. AUDIT COMMITTEE

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

Name	Nationality	Qualification
Mr Gary Whitehead	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

	Number of shares	
	2020	2019
Mr Oswald Martin Urassa	500	500

9. DIRECTORS' REMUNERATION

The Company paid a total of TZS 112.4 million (2019: TZS 100.5 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 2020 were:

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

DIRECTORS' REPORT (Continued)

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

11. REVIEW OF THE BUSINESS

The Company recorded an increase in sales volume of 6.3% from 2019 to 2020. The turnover increased from TZS 348.8 billion in 2019 to TZS 393.7 billion in 2020, an increase of 12.9%. The overall improved performance and market growth have contributed to the increase in turnover.

The Company made a total operating profit of TZS 104.9 billion compared to TZS 87.3 billion in 2019, an increase of 20.2%. The increase in operating profit was a result of improved performance. Profit before tax increased from TZS 85.9 billion in 2019 to TZS 107.4 billion in 2020.

After the effect of the income tax of TZS 32.8 billion (2019: TZS 26.2 billion), the net profit for the year was TZS 74.7 billion (2019: TZS 59.7 billion). Total comprehensive income amounted to TZS 75.7 billion (2019: TZS 58.7 billion).

The operating results are shown on page 47.

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. The Directors believe the Company is well placed to meet this growing demand.

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.

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 doing rehabilitation in the area 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.

By 31 December 2020, approximately 18.0 hectares in the quarry were completely rehabilitated, 329,680 seedlings were already raised in the quarry and 72,124 trees planted in the quarry with a survival rate of 84.36%. A total of 1,190 trees re-planted during the year and 18,024 trees were donated to stakeholders. The total number of trees donated to various stakeholders by the end of December 2020 was 170,378 trees.

Pruning of the invasive *Leucaena leucocephala* trees was done in the quarry to plant more valuable trees for future use. A total of 3,365 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* (*Afzelia 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 twenty-four 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 objective and targets by following planned Environmental Monitoring Programmes as per the national and Heidelberg Cement requirements.

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 2020 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 and working conditions of its employees, contractors, and third parties.

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 (OHSAS 18001:2007) 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.

Achieving Excellence in Occupational Health and Safety, Management will continue to emphasize the Health and Safety of employees and third-party service providers, taking our social responsibility seriously. The commitment to Health and Safety is an integral part of the business activities of TPCPLC. Our goal is to have zero accidents and most importantly avoid all accidents leading to death, injuries, or permanent disabilities, and thus to substantially reduce lost time injury frequency and severity rates.

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 2020 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 2020, the Company had 257 employees, out of which 31 were female and 226 were male (2019: Total 283; female 32 and male 251).

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 (OHSAS 18001 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.

DIRECTORS' REPORT (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 2020 (2019: 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 2020 (2019: 2 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 beyond reproach at all times. 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.

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.

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.

19. RISK MANAGEMENT (Continued)**Operational Risk (Continued)**

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).

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.

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.

20. KEY STRENGTHS AND RESOURCES

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

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.

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 (CEM MC-22X). 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.

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.

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.

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.

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 2020, steps were taken to being revamping Cement Mill 3 and overall preservation and improvements of cement mill no. 4 and 5 lines, and kiln no. 3 and 4 lines.

Digitalization

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

High-Quality Limestone Reserves

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

21. POLITICAL AND CHARITABLE DONATIONS

During the year under review, the Company made donations and other contributions of a charitable nature valued at about TZS 48.2 million (2019: TZS 132.5 million). There were no political donations.

DIRECTORS' REPORT (Continued)

25

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 165.9 million (2019: TZS 61.2 million).

22. DIVIDENDS

The Directors recommend payment of TZS 70.17 billion (TZS 390 per share) to shareholders as the final dividend for the year 2020. The final dividend will be approved in the annual general meeting and paid in June 2021. During the year the Company paid TZS 52.17 billion (TZS 290 per share) as the final dividend for the financial year 2019. There was no payment of interim dividend relating to the year ended 31 December 2020. 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.

23. SUBSEQUENT EVENTS

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

24. IMPACT OF COVID-19 PANDEMIC TO THE BUSINESS AND ON THE PREPARATION OF FINANCIAL STATEMENTS

The COVID-19 pandemic continued to affect countries and businesses at the time of issuing these financial statements. The risks arising from this pandemic could include market, services and supply chain disruptions, unavailability of key people resources, locations being quarantined, among others.

The directors have assessed that, at the time of issuing these financial statements, the business continued to operate, as usual, there were no disruptions in production or sales due to Covid-19 and thus no anticipation of any impacts from the pandemic on the Company. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year, that are different from the judgements and assumptions used, could require a material adjustment to the carrying amount of the assets or liabilities reported in these financial statements.

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 93.94% 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 (2019: 179,923,100 ordinary shares). There is no change in the issued share capital.

The shareholding of the Company is as stated below:

Name	2020 % shareholding	2019 % shareholding
Scancem International DA	69.25	69.25
General Public	22.85	22.85
Government Pension funds	7.75	7.75
Wazo Hill Saving and Credit Cooperative Society	0.22	0.22
	100.00	100.00

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. SHAREHOLDERS OF THE COMPANY

The total number of shareholders as at 31 December 2020 was 9,402 shareholders (2019: 9,497 shareholders), with 179,923,100 ordinary shares (2019: 179,923,100 ordinary shares). The following were the ten largest shareholders of the Company:

Name	Nationality	2020 % shareholding	2019 % shareholding
Scancem International DA	Norwegian	69.25	69.25
Public Service Social Security Fund	Tanzanian	6.16	0.56
Standard Chartered Bank	Ugandan	5.28	5.28
JPMCB-LB Designated First Rand Bank Ltd	South African	1.36	1.76
National Social Security Fund	Tanzanian	1.24	1.24
Umoja Unit Trust Scheme	Tanzanian	0.92	0.79
Murtaza Basheer Nasser	Tanzanian	0.90	0.90
Sayed H. Kadri/Basharat Kadro/Mehboob Kadri/Khalid/Muzammil Kadri	Tanzanian	0.59	0.59
Said Salim Awadh Bakhresa	Tanzanian	0.51	0.51
Zanzibar Social Security Fund	Tanzanian	0.35	0.35

29. 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 2020, 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 2020 the performance of the Company's shares in the secondary market was as follows: Market capitalisation as at 31 December 2020 was TZS 467.8 billion (2019: TZS 359.85 billion). The share price prevailing as at 31 December 2020 was TZS 2,600 per share, compared to TZS 2,000 one year earlier (IPO price was TZS 435 per share).

30 AUDITORS

PricewaterhouseCoopers (PwC) was appointed to be the Company's auditor for the year 2020. PwC has also expressed willingness to continue with the appointment and 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.

By Order of the Board

Approved by the Board of Directors on 14 APRIL 2021
and signed on its behalf by:

Name: ALFONSO VELEZ Name: RUTH ZAIQUNA

Title: DIRECTOR Title: DIRECTOR

Signature:  Signature: 

TAARIFA YA WAKURUGENZI

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 2019.

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 ni uzalishaji na uuzaji wa saruji

5. SERA BORA.

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

6. WAKURUGENZI

Wajumbe wa Bodi ya wakurugenzi ambao wamekuwa wakurugenzi kwa mwaka huu wa fedha mpaka sasa:

Jina	Wadhifa	Utaifa	Umri	Sifa
Bw. Hakan Gurdal	Mwenyekiti	Mturuki	52	Mhandisi, MBA
Bw. Gary Whitehead	Mkurugenzi	Mwingereza	50	FCCA
Bw. Alfonso Velez	Mkurugenzi Mtendaji	Mhispania	52	MBA
Bw. Oswald Martin Urassa	Mkurugenzi	Mtanzania	54	B.com, MBA, CPA(T)
Bi Ruth Henry Zaipuna	Mkurugenzi	Mtanzania	47	B.com, MBA, CPA(T)
Bw. Francesco Brambilla	Mkurugenzi	Muitaliano	49	Mhandisi

Wajumbe wote wa Bodi siyo watendaji katika kampuni isipokuwa Bw. Alfonso Velez, ambaye ni Mkurugenzi Mtendaji. Katibu wa Kampuni kwa mwaka ulioishia 31 Disemba 2020 alikuwa Bw. Brian Kangetta (Mkenya), umri miaka 43.

7. KAMATI YA UKAGUZI.

Wajumbe wa kamati ya ukaguzi waliotumikia kampuni katika mwaka huu wa fedha walikuwa;

Jina	Utaifa	Sifa
Bw. Gary Whitehead	Mwingereza	FCCA
Bw. Dominik Michel	Mjerumani	Bachelor BA
Bi. Ruth Henry Zaipuna	Mtanzania	B.com, MBA, CPA(T)

8. WAKURUGENZI WANAHISA

	Idadi ya Hisa	
	2020	2019
Bw. Oswald Martin Urassa	500	500

9. MALIPO YA WAKURUGENZI

Kampuni ililipa jumla ya TZS 112.4 milioni (2019: TZS 100.5 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 Disemba 2019 ilikuwa kama ifuatavyo;

Jina	Cheo
Alfonso Velez	Mkurugenzi mtendaji
Peter James	Mkurugenzi Fedha
Evaline Mushi	Mkurugenzi Rasilimali watu
Yves Mataigne	Mkurugenzi Biashara
Ahmed Elsayy	Meneja Mitambo
Richard Magoda	Meneja Mazingira
Jerome Mwakabaga	Meneja Afya na Usalama
Ian Dobson	Mkurugenzi 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

Usambazaji wa saruji uliongezeka kwa asilimia 6.3 kutoka mwaka 2019 hadi 2020. Mauzo yaliongezeka kutoka shilingi bilioni 338.8 mwaka 2019 hadi shilingi bilioni 393.7 mwaka 2020, hii ikiwa ni ongezeko la asilimia 12.9. Ongezeko hili la mauzo lilisababishwa na ukuaji wa soko na ufanisi wa utendaji.

Kampuni ilipata faida ya uendeshaji ya shilingi bilioni 104.9 bilioni ikilinganishwa na shilingi bilioni 87.3 mwaka 2019, ni sawa na ongezeko la asilimia 20.2. Ongezeko la faida ya uendeshaji lilitokana na utendaji bora. Faida kabla ya kodi iliongezeka kutoka shilingi bilioni 85.9 bilioni mwaka 2019 hadi kufikia shilingi bilioni 107.4 mwaka 2020.

Baada ya kutoa kodi ya shilingi bilioni 32.8 (2019:shilingi bilioni 26.2), faida iliyobaki ilikuwa shilingi bilioni 74.7 (2019:shilingi bilioni 59.7). Jumla kuu ya mapato ilifikia shilingi bilioni 75.7 (2019: shilingi 58.7)

Hali halisi ya mwenendo wa kibiashara inaoneshwa katika ukurasa wa 47

12. MATARAJIO YA KAMPUNI KWA SIKU ZIJAZO

Mahitaji ya saruji nchini na eneo la Afrika ya Mashariki yamekuwa yakiongezeka kwa miaka ya hivi karibuni. Baada ya kuwekeza kwenye mitambo ya kuongeza uwezo wa uzalishaji na ukarabati wa matanuru ya zamani pamoja na upatikanaji mzuri wa kimkakati wa malighafi ikiwa pamoja na kupata machimbo ya malighafi ili kukidhi mahitaji ya vipindi vijavyo, wakurugenzi wanaamini kwamba kampuni iko katika nafasi nzuri ya kukidhi mahitaji hayo yanayoongezeka

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)

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 unabailika au vyanzo vya maji vinaweza kuharibiwa.

Wakati au baada ya kuchimba, uboreshaji wa mandhari ya ardhi iliyochimbwa hufanyika na kuhakikisha maisha ya viumbe hai yanatunzwa na kuimarishwa. Uboreshaji wa mazingira unategemea sana hali ya viumbe hai, ushirikiano na watu mbalimbali, wataalamu na motisha ya Kampuni.

Shughuli za uchimbaji zimeendelea sambamba na 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 inayo izunguka 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.

Hadi kufikia 31 Desemba 2020, takribani hekta 18 za machimbo zilikuwa zimeboreshwa, jumla ya miche 329,680 ilikuwa imesha oteshwa kwenye vitalu na jumla ya miti 72,124 ilikuwa imesha pandwa, yenye uwezekano wa kuishi kwa kiwango cha asilimia 84.36. Jumla ya miti 1,190 ilipandwa kwa mara nyingine na miche 170,378 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 365 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 ya kukuza faida za kufanya shughuli za uchimbaji mawe. Tangu mwanzo wa mradi, TPCPLC imefanya matukio ishirini na nne (24) rasmi ya kujenga ufahamu na uwezo kwa wageni, hasa kwa vikundi vya vijana na wanafunzi kwa imani kwamba kupitia elimu ya mazingira kwa wanafunzi wanaweza kuwa kichocheo cha mabadiliko na maamuzi chanya ya baadaye katika matumizi bora ya mazingira.

TAARIFA YA WAKURUGENZI (inaendelea)

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.

15. AFYA NA USALAMA

Kampuni inaendelea kuweka mkazo katika afya na usalama kazini. Pamoja na maboresho ya kiufundi na viwango vya usalama, katika mwaka 2020 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

Kampuni inatekeleza mfumo wa kuratibu masuala ya afya na usalama mahali pa kazi (OHSM) kama sehemu ya mkakati wa kudhibiti vihatarishi na ina cheti cha kiwango cha OHSAS 18001:2007. Kampuni inahakikisha kuwa kanuni, sheria na miongozo ya ndani, kanda, taifa na ya kimataifa kuhusiana na afya na usalama inazingatiwa.

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 vifo vitokanavyo na ajali, majeraha au ulemavu wa kudumu na kupunguza upotevu wa muda utokanao na ajali.

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 2020 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 uliyoingwa 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, 2020, Kampuni imekuwa na wafanyakazi 257, kati yao wanawake wakiwa 31 na wanaume 226 (2019: Jumla 283; wanawake 32 na wanaume 251)

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 (Cheti OHSAS 18001).

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 marupurupe 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 mshahara wa kila mfanyakazi.

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.

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 2020 (2019: 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 (MIS), 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 mbili 2019 (2018: 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 uandaaaji 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.

19. UDHIBITI WA MAENEO HATARISHI

Bodi ina wajibu wa mwisho wa kuweka mifumo ya udhibiti wa 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 kijasibu;
- ⇒ Shughuli endelevu za kibiashara; na
- ⇒ Tabia ya uwajibikaji kwa wadau wote wa Kampuni.

TAARIFA YA WAKURUGENZI (inaendelea)

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 huu kwa wakati mwingine umekuwa ukikatika na hivyo kuifanya Kampuni kuwa na changamoto kufikia malengo yake ya uzalishaji. Kutokana na athari hizo Kampuni ina mpango wa kuwekeza katika nishati mbadala ili kuhakikisha kuwa kunakuwa na ugavi wa uhakika wa nishati ya umeme ili kukidhi mahitaji ya kiwanda

Uzalishaji wa saruji huanzia katika machimbo ya mawe ya chokaa yanayomilikiwa na Kampuni. 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).

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 kufikia ushindani.

Maeneo hatarishi katika masuala ya fedha

Athari kubwa kwa upande wa fedha zinaweza kuletwa 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

20. UWEZO NA RASILIMALI ZA KAMPUNI

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

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.

Ubora wa bidhaa.

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 saruji ya OPC 42.5N maalum kwa ajili ya ujenzi wa madaraja na maghorofa, Twiga Plus, Twiga Extra, Twiga Jenga na Twiga Supa.

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

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

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.

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 2020, hatua zilichukuliwa kufufua kinu cha saruji namba 3 na maboresho ya kinu cha saruji namba 4 na 5, pamoja na maboresho ya matanuru ya klinka namba 3 na 4.

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

21. MISAADA

Mwaka huu, kampuni ilitoa misaada na michango ya hisani yenye thamani ya Shilingi milioni 48.2 (2019: Shilingi milioni 132.5). 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 165.9 (2019: Shilingi milioni 61.2) zilitumika.

22. GAWIO

Wakurugenzi wanapendekeza gawio la Shilingi bilioni 70.17 (Shilingi 390 kwa hisa) kwa wanahisa wake kama gawio la mwisho kwa mwaka 2020. Gawio la mwisho litaidhinishwa na mkutano mkuu wa mwaka na litalipwa mwezi Juni 2021. Mwezi wa Juni mwaka 2020, Kampuni ililipa Shilingi bilioni 52.17 (Shilingi 290 kwa hisa) kama gawio la mwisho la mwaka 2019. Hakukuwa na malipo kwa ajili ya gawio la awali kwa mwaka ulioishia Desemba 2019. Kufikia pendekezo hili, wakurugenzi wamezingatia hali ya kifedha ya Kampuni na mahitaji ya baadaye ya miradi ya uboreshaji.

23. MATUKIO YA BAADAYE

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

24. ATHARI ZA JANGA LA COVID-19 KWA BIASHARA NA MAANDALIZI YA TAARIFA HIZI ZA FEDHA

Janga la Covid-19 liliendelea kuathiri nchi nyingi na biashara wakati taarifa hizi za fedha zinaandaliwa. Hatari zinazotokana na janga hili ni pamoja na huduma, usambaziji kutofanyika kwa ufanisi, kutopatikana kwa rasilimali watu muhimu na maeneo mbalimbali

kuwekwa karantini na mengineyo.

Wakurugenzi wa Kampuni walitathmini kua, wakati wa kutoa taarifa hizi za fedha, biashara iliendelea na hakukua na matatizo kwenye uzalishaji na mauzo kwa sababu ya janga hili na hivyo haitarajiwa kuwepo na madhara yoyote kwa Kampuni. Inawezekana, kulingana na maarifa yaliyopo, kwamba matokeo ya mwaka ujao wa fedha yanaweza kuwa tofauti na dhana zilizotumika na yanaweza kuhitaji marekebisho ya mali au dhima zilizoripotiwa kwenye taarifa hizi za fedha.

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 nchi ya Ujerumani. HeidelbergCement AG inamiliki Scancem International DA ya nchi ya Norway, kwa asilimia 93.94, ambayo inamiliki kwa 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 (2019: hisa 179,923,100). Hapakuwepo na mabadiliko yoyote ya mtaji wa hisa. Mgawanyo wa hisa za kampuni ni kama ifuatavyo:

Jina	2020 % ya umiliki	2019 % ya umiliki
Scancem International DA	69.25	69.25
General Public	22.85	22.85
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).

TAARIFA YA WAKURUGENZI (inaendelea)

28. WANAHISA WA KAMPUNI

Idadi ya wanahisa kwa mwaka ulioishia 31 Desemba 2020 ilikuwa 9,457 (2019: wanahisa 9,497), wanaomiliki hisa za kawaida 179,923,100 (2019: 179,923,100). Ifuatayo ni orodha ya wanahisa wakubwa kumi wa Kampuni:

Jina	Utaifa	2020 % ya umiliki	2019 % ya umiliki
Scancem International DA	Mnorwey	69.25	69.25
Public Service Social Security Fund	Mtanzania	6.16	0.56
Standard Chartered Bank	Mganda	5.28	5.28
JPMCB-LB Designated First Rand Bank Ltd	Mwafrika Kusini	1.36	1.76
National Social Security Fund	Mtanzania	1.24	1.24
Umoja Unit Trust Scheme	Mtanzania	0.92	0.79
Murtaza Basheer Nasser	Mtanzania	0.90	0.90
Sayed H. Kadri/Basharat Kadro/Mehboob Kadri/Khalid/Muzammil Kadri	Mtanzania	0.59	0.59
Said Salim Awadh Bakhresa	Mtanzania	0.51	0.51
Zanzibar Social Security Fund	Mtanzania	0.35	0.35

29. 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 2020 hisa za kampuni zilifanya biashara wakati wote kwenye minada iliyoratibiwa na Soko la Mitaji la Dar Es Salaam (DSE). Mwaka 2020, mwenendo wa hisa za Kampuni kwenye soko la mitaji ilikuwa kama hivi: Thamani ya Kampuni mnamo 31 Desemba 2020 ilikua Shilingi bilioni 467.8 (2019: Shilingi bilioni 359.85). Bei ya hisa mnamo 31 Desemba 2020 ilikua Shilingi 2,600 kwa hisa, ikilinganishwa na bei ya hisa ya Shilingi 2,000 kwa mwaka wa 2019 (Bei katika soko la mwanzo ilikua Shilingi 435 kwa hisa).

30. WAKAGUZI.

PricewaterhouseCoopers (PwC) iliteuliwa kuwa mkaguzi wa Kampuni kwa mwaka 2020. 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).

Imetolewa kwa amri ya Bodi

Imeidhinishwa na Bodi ya Wakurugenzi tarehe 14 APRIL 2021 2021 na imesainiwa na

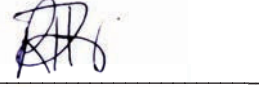
Jina: ALFONSO VELEZ

Jina: RUTH ZAIPUNA

Cheo: DIRECTOR

Cheo: DIRECTOR

Saini: 

Saini: 





Current CSR Strategy: TPCPLC Support Focus

TPCPLC supports projects, organizations and initiatives that:

- ⇒ Are based in Tanzania,
- ⇒ Are aligned with TPCPLC's Code of Business Conduct, other compliance standards, the Leadership Principles and the sustainability ambition 2020,
- ⇒ Create long term benefits and value for the society,
- ⇒ Have a high profile within the society and meet the legal regulations.

TPCPLC's CSR focuses on; Infrastructural developments, Environment protection, and Education and Training.

Contributions towards Education: Twiga Secondary School



TPCPLC officials training Twiga Secondary School on Health and Safety.

- Twiga Secondary School is one of the schools that has benefited and continue to benefit from the company's CSR programs over the years.
- Twiga Secondary is a co-education local government schools located near the Cement factory. It provides free O 'level education to about 1,500 students.
- In 2020 Twiga donated 200 cement bags which went to the renovation works of classroom floors. It has also committed to continue supporting them in 2021 with ICT and volunteering lessons.

Contributions Towards Education: New Kisarawe Girls High School



One of the newly built classrooms at Kisarawe Girls High School.

- During the year 2020 TPCPLC was proud to partner with Kisarawe district on the districts 'End Zeros' campaign which focuses on ending poor high school performances for the girl child in the district.
- Twiga donated more than 60 tons cement bags which went towards the construction of a new high school consisting of 8 classrooms and a library. The school is able to handle more than 100 students.

Charity Works: Wazo Catholic Church

An aerial view of the new church double storey structure that is currently under construction.

- Old church building for Wazo was demolished in 2019 and the church commenced a new construction project to build a double storey church building.
- TPCPLC has supported the church since 2019. During the year 2020, TPCPLC donated 300 cement bags towards the construction project of the church building.
- Located in Wazo 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 increasing population in the community.



Side view of the new church structure under construction.

Charity Works by Twiga Women Group: Msimbazi Orphanage Center

- Twiga Women Group has a CSR focus that dedicates its works to improving the girl child life in the community and beyond. It aims at providing them access to essential services including campaigning against child marriage, education, healthcare, clean water etc.
- Twiga Women Group provides opportunities to the community to fundraise for charities and help raise visibility on female-focused causes especially on International Women's Day.
- In 2020, despite the Covid-19 pandemic the Twiga Women's group visited Msimbazi orphanage center, volunteered with work at the center and donated towards children's needs worth TZS 10 million.



Contributions Towards Education: Dormitory construction project for Hosiana School



Dormitory No. 1 constructed by Twiga Cement in 2019 fy. Completed..

- Hosiana School for the poor and orphans is located in Kagera region, in the Lake zone area of Tanzania.
- The aim of the school is to provide education to orphans and poor families in the area/ region with the goal of elevating poverty levels.
- TPCPLC in 2020 donated **Tzs70m** for the **construction of the second dormitory** to fit 40 students at the center. Project of construction of second dormitory is expected to be completed by end of Q1 in 2021.



Dormitory No. 2 constructed by Twiga Cement in 2020 fy. Expected to be completed by end of Q1 2021.

Community works: Maji kwa Vijiji Project



- During the year 2020 TPCPLC donated more than 50tons of cement to the NGO that went towards the construction of water tanks in villages including;
 - Mti Mmoja Village 4 tanks, Eng'arooji Village 4 tanks, Nanja Dispensary 1 tank, Loosimingor Village 5 tanks, Loosimingor Dispensary 1 tank, Engirgir Primary School 1 tank, Arkatani Pr. School 1 tank, Arkatani Dispensary 1 tank, and Arkatani Village Boma 1 tank.
 All constructed water tanks located in Monduli District in Arusha.
- In 2019 & 2020 financial years Twiga Cement collaborated with an NGO (Maji kwa Vijiji) based in Arusha, for the construction of water tanks in 8 villages in Arusha and Manyara regions.



Sample of a water tank that are being constructed



The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial year which present fairly, in all material respects, the state of financial affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company 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 present fairly, in all material respects, the state of financial affairs of the Company and its profit.

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

Name: RUTH ZAIKUNA

Title: DIRECTOR

Title: DIRECTOR

Signature: 

Signature: 

Date: 06 MAY 2021

DECLARATION OF THE
HEAD OF FINANCE

41

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.

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 2020 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: Tumaini Ishemo

Position: CHIEF ACCOUNTANT

NBAA Membership No.: ACPA 2733

Date: 06 MAY 2021



To the Shareholders of

TANZANIA PORTLAND CEMENT PUBLIC LIMITED COMPANY

REPORT ON THE 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 2020, 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 47 to 85 comprise:

- ⇒ Statement of financial position as at 31 December 2020;
- ⇒ 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.

Key audit matter	How our audit addressed the key audit matter
Unresolved tax matters and contingent liabilities	
<p>Tax positions were significant to our audit because the assessment process involves judgement in the interpretation and application of tax laws and in assessing tax liabilities and contingencies that could arise from tax audits.</p> <p>As described in note 40 of the financial statements, the Company has significant unresolved tax matters with the Tanzania Revenue Authority (TRA) whose outcomes are dependent on future events. The total amount of tax assessed is TZS 45 billion of which TZS 10 billion has been provided for on the financial statements.</p> <p>With the assistance of internal and external experts, the directors exercise significant judgement in assessing the possible outcomes of the unresolved matters for financial reporting purposes at the yearend.</p> <p>The actual future outcomes of these matters could be materially different from the directors' judgement at the year-end.</p>	<p>We tested 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 2020.</p> <p>We 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, and the Government.</p> <p>We obtained and assessed advice from management expert that was applied by management to assess the level of provisioning required and the tax objections filed thereon.</p> <p>We reviewed the provisions for tax exposures based on management's assessment and the advice provided by the company's tax advisor.</p> <p>We have evaluated the reasonableness of the management judgement and assessed the adequacy of the disclosures made in the financial statements in relation to contingent liabilities and significant judgement applied by directors.</p>

INDEPENDENT AUDITOR'S REPORT (Continued)

Other information

The directors are responsible for the other information. The other information comprises company information, directors' report, 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 Letter of transmittal, Chairman's statement, Managing Director's report, Directors' Biography, Key Management Personnel and Corporate Social Responsibility which is expected to be made for us after that date. Our opinion on the financial statements does not cover the other information and we do 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 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, 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, Letter of transmittal, Chairman's statement, Managing Director's report, Directors' Biography, Key Management Personnel and Corporate Social Responsibility, to constitute other information not yet received at the audit report date, 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.
- ⇒ 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.

Auditor's responsibilities for the audit of the financial statements (continued)

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 is 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 Kiyunga, ACPA-PP

For and on behalf of PricewaterhouseCoopers

Certified Public Accountants

Dar es Salaam

Date 10 MAY 2021

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2020 TZS '000	2019 TZS '000
Revenue from contracts with customers	7	393,739,557	348,828,076
Cost of sales	9	(258,416,416)	(229,954,588)
Gross profit		135,323,141	118,873,488
Other operating income	8	2,250,391	4,293,998
Selling and marketing expenses	10	(2,942,285)	(2,746,244)
Administrative expenses	11	(25,976,365)	(26,629,390)
Other operating expenses	14	(3,709,781)	(6,536,148)
Operating profit		104,945,101	87,255,704
Finance income	15	1,819,274	1,246,054
Finance costs	16	(1,292,507)	(1,816,758)
Net gain/(loss) on foreign currency translation	17	1,957,366	(810,014)
Profit before tax		107,429,234	85,874,986
Income tax expense	32	(32,752,864)	(26,171,702)
Profit for the year		74,676,370	59,703,284

Other comprehensive income

Other comprehensive income not to be reclassified
to profit or loss in subsequent periods:

Re-measurement gains /(losses) on defined benefit plan	29	1,469,714	(1,411,500)
Income tax effect	32	(440,914)	423,450
Other comprehensive loss for the year, net of tax		1,028,800	(988,050)
Total comprehensive income for the year, net of tax		75,705,170	58,715,234
Earnings per share			
Basic and diluted earnings per share (TZS)	40	415	332

TANZANIA PORTLAND CEMENT PUBLIC LIMITED COMPANY

HIGHWAY TO INDUSTRIALIZATION

48

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

STATEMENT OF FINANCIAL POSITION

	Notes	2020 TZS '000	2019 TZS '000
ASSETS			
Non-current assets			
Property, plant and equipment	18	133,393,148	136,029,911
Intangible assets	19	797,216	849,314
Leasehold land	20	1,036,621	1,064,467
Right of Use assets	21	4,198,644	7,430,771
Non-current financial assets	25	1,346,000	5,905,187
		140,771,629	151,279,650
Current assets			
Inventories	22	52,404,781	61,598,827
Trade receivables	23	41,090,916	41,306,868
Other short-term operating receivables	24	14,481,057	10,699,572
Other current financial assets	25	600,000	4,721,453
Cash and cash equivalent	26	103,855,770	72,684,693
		212,432,524	191,011,413
TOTAL ASSETS		353,204,153	342,291,063

EQUITY AND LIABILITIES

Equity

Authorised, issued and fully paid-up share capital	27	3,598,462	3,598,462
Retained earnings		251,402,305	227,874,834
TOTAL EQUITY		255,000,767	231,473,296

	Notes	2020 TZS '000	2019 TZS '000
Non-current liabilities			
Lease liabilities	28	1,231,231	3,097,244
Employment benefit liabilities	29	4,062,080	5,491,631
Provision for quarry site restoration	31	2,275,022	2,128,377
Deferred income tax liability	32(iii)	14,273,690	17,573,508
		21,842,023	28,290,760
Current liabilities			
Lease liabilities	28	3,725,915	4,974,507
Current income tax payable	32	1,013,768	1,027,428
Trade and other payables	33	68,760,196	73,302,549
Interest-bearing loan	35	5,021	5,021
Dividend payable	37	2,856,463	3,217,502
		76,361,363	82,527,007
TOTAL LIABILITIES		98,203,386	110,817,767
TOTAL EQUITY AND LIABILITIES		353,204,153	342,291,063

These financial statements were authorised for issue in accordance with a resolution of the Board of directors passed on 14 APRIL 2021 and were signed on its behalf by:

Name: ALFONSO VELEZ

Name: RUTH ZAIJUNA

Title: DIRECTOR

Title: DIRECTOR

Signature:



Signature:



FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020
(Continued)

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 2020	3,598,462	227,874,834	231,473,296
Profit for the year	-	74,676,370	74,676,370
Other comprehensive income, net of tax	-	1,028,800	1,028,800
Total comprehensive income, net of tax for the year	-	75,705,170	75,705,170
Transactions with owners in their capacity as owners:			
Dividends declared (Note 37)	-	(52,177,699)	(52,177,699)
	-	(52,177,699)	(52,177,699)
As at 31 December 2020	3,598,462	251,402,305	255,000,767
As at 01 January 2019	3,598,462	221,337,299	224,935,761
Profit for the year	-	59,703,284	59,703,284
Other comprehensive income, net of tax	-	(988,050)	(988,050)
Total comprehensive income, net of tax for the year	-	58,715,234	58,715,234
Transactions with owners in their capacity as owners:			
Dividends declared (Note 37)		(52,177,699)	(52,177,699)
	-	(52,177,699)	(52,177,699)
As at 31 December 2019	3,598,462	227,874,834	231,473,296

TANZANIA PORTLAND CEMENT PUBLIC LIMITED COMPANY

HIGHWAY TO INDUSTRIALIZATION

50

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

STATEMENT OF CASH FLOWS

	Notes	2020 TZS '000	2019 TZS '000
Operating activities			
Profit before tax		107,429,235	85,874,986
<i>Adjustment to reconcile profit before tax to net cash flows:</i>			
Depreciation and amortisation	12	17,296,680	18,257,703
Interest expense	16	1,292,507	1,816,758
Interest income	15	(1,819,274)	(1,246,054)
Net unrealised exchange (gain)/loss	17	(1,200,760)	826,397
Net provision for obsolete inventories	9	2,917,649	2,452,673
Increase/(decrease) in site restoration provision	31	146,645	(957,242)
Post-employment benefits provision	29	769,788	813,882
Impairment of receivables	23	(1,040,996)	391,292
Net gain on disposal of property, plant and equipment	8 & 11	(71,063)	-
<i>Working capital adjustments:</i>			
Increase/(decrease) inventories		7,257,558	(8,947,274)
(Decrease)/increase in trade receivables		1,256,948	(3,548,390)
Increase in other short-term operating receivables		(3,781,486)	(4,137,320)
Decrease in other financial assets		8,680,640	4,078,073
(Decrease)/Increase in trade and other payables		(4,542,353)	12,149,482
Corporation tax paid	32	(36,507,255)	(31,758,076)
Payment to post-employment benefit - Benefit payments	29	(729,625)	(765,578)
Payment to post employment benefit - Planned settlements	29	-	(1,087,776)
Interest received	15	1,819,274	1,246,054
Interest paid - other	16	(53,386)	(54,073)
Net cash inflows from operating activities		99,120,726	75,405,517

	Notes	2020 TZS '000	2019 TZS '000
Investing activities			
Proceeds from disposal of property, plant and equipment		71,063	-
Payment for capital works-in-progress	18	(12,158,651)	(10,666,031)
Purchase of capital items in stock	18	(186,890)	(218,067)
Net cash flows used in investing activities		(12,274,478)	(10,884,098)
Financing activities			
Dividends paid		(52,538,738)	(52,811,159)
Payment of liabilities - principal and interest	28	(4,337,193)	(4,337,151)
Net cash flows used in financing activities		(56,875,931)	(57,148,310)
Net increase in cash and cash equivalents		29,970,317	7,373,109
Net foreign exchange difference		1,200,760	(675,675)
Cash and cash equivalents at 01 January		72,684,693	65,987,258
Cash and cash equivalent at 31 December		103,855,770	72,684,693

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial statements of Tanzania Portland Cement Public Limited Company ('the Company') for the year ended 31 December 2020 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 Directors' Report. 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 2020.

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.

Covid-19 Pandemic Consideration

Covid-19, an infectious disease caused by a new virus, was declared a worldwide pandemic by the WHO on 11 March 2020. The measures to slow the spread of Covid-19 have had a significant impact on the global economy. Covid-19 had no significant impact in preparing their financial statements. The impact of Covid-19 did not result in the application of further judgement within specific areas of judgement. There were no significant changes to estimates made in the measurement of the Company's assets and liabilities.

The Company took various measures in line with the recommendations of WHO and Ministry of Health, Community Development, Gender, Elderly and Children, to preserve the health of our employees and support the prevention of contagion in our administrative and operational areas, such as working from home in case suspected being at risk, reduced work shifts in operational areas to minimise the number of workers commuting, rigorous cleaning of workplaces, distribution of personal protective equipment, testing of suspected cases and measuring body temperature for all individuals entering the Company premises.

Despite all the challenges brought by the pandemic, there was no major impact on the preparation of the financial statements.

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;
- ⇒ The Company can identify each party's rights regarding the goods or services to be transferred;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- ⇒ 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.

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 fixture)	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.

NOTES TO THE FINANCIAL
STATEMENTS (Continued)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***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, 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 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.

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.

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.

Financial assets at amortised cost 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; 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.

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Financial instruments (continued)

Financial assets (continued)

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.

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.

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**m. Royalty**

Royalty fee is a fixed charge paid to the government on annual basis basing 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

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 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.

NOTES TO THE FINANCIAL
STATEMENTS (Continued)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Leases (continued)***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 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company but may impact future periods should the group enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

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 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company as it did not early adopt the amendments.

The following pronouncements, issued by the IASB, were effective for periods commencing on or after 1 January 2020:

- ⇒ Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
- ⇒ Conceptual Framework for Financial Reporting issued on 29 March 2018

The Company's financial reporting was not materially impacted by these pronouncements.

5. 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.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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 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 2020 equalled 15.49% (2019: 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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.

6. 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 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

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

- ⇒ IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- ⇒ IFRS 17 Insurance Contracts – The general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit is recognised over the coverage period.

Annual Improvements to IFRS Standards 2018-2020 Cycle

The following improvements were finalised:

- ⇒ IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of financial liability. Fees paid to third parties are excluded from this calculation.
- ⇒ IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

The improvement is effective for annual reporting periods beginning on or after 1 January 2022. The Company is still assessing the impact of these improvements.

Notes	2020 TZS '000	2019 TZS '000
-------	------------------	------------------

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:

Twiga extra	139,906,242	146,218,788
Twiga ordinary	60,700,468	44,122,929
Twiga plus	188,323,499	153,556,066
Twiga jenga	1,059,902	854,306
Twiga super	3,749,446	4,075,987
	393,739,557	348,828,076

8. OTHER OPERATING INCOME

Gain on disposal of property, plant, and equipment	71,063	-
Other income ¹	2,179,328	4,293,998
	2,250,391	4,293,998

¹ In 2020 the Company received Insurance claim amounting to TZS 2 billion (2019: TZS 4.2 billion)

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

	Notes	2020 TZS '000	2019 TZS '000
9 COST OF SALES			
Distribution costs		12,401,138	8,585,137
Variable costs		196,989,776	171,679,652
Fixed production costs		31,715,427	32,677,936
Provision for slow-moving and obsolescence		2,917,649	2,452,673
Impairment of obsolete consumables		391,284	-
Depreciation, amortisation, and impairment		14,001,142	14,559,190
		258,416,416	229,954,588

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		81,490,539	72,414,374
Energy costs		76,842,272	72,976,952
Grinding and packaging costs		22,974,769	17,195,065
Consumables costs		7,066,945	3,278,346
Other variable production costs		8,615,251	5,814,915

Included in the cost of sales fixed production costs are:

Cost of repair and maintenance costs		14,023,316	16,145,351
Staff costs	13	11,541,548	11,336,393
Other fixed production costs		6,150,563	5,196,192

	Notes	2020 TZS '000	2019 TZS '000
10. SELLING AND MARKETING EXPENSES			
Staff costs	13	1,938,089	1,739,510
Marketing, advertising and sales costs		1,004,196	1,006,734
		2,942,285	2,746,244

11. ADMINISTRATIVE EXPENSES

Staff costs	13	7,701,982	8,060,251
Consultancy costs		3,211,663	3,523,927
Technical assistance		4,624,809	4,354,014
Expected credit losses of receivables	24	220,486	391,292
Other administrative expenses ²		6,921,887	6,601,393
Depreciation, amortisation and impairment		3,295,538	3,698,513
		25,976,365	26,629,390

***Included in other administrative expenses are:**

Audit fees		168,300	171,466
Donations		48,232	127,520
Other costs; security, maintenance		5,716,097	4,595,965
Travelling cost		482,423	931,010
Legal fees		394,398	659,890
Management fees		-	15,066
Directors' remuneration		112,437	100,476

² Amount includes other short-term employment benefits such as pension contribution to endowment scheme, staff bonus, staff allowances, canteen services, transport services and medical services.

	Notes	2020 TZS '000	2019 TZS '000
12. DEPRECIATION AND AMORTISATION			
Depreciation of property plant and equipment (Note 18)	14,001,142	14,559,190	
Depreciation of right of use assets (Note 21)	3,215,594	3,215,446	
Amortisation of intangible assets (Note 19)	52,098	455,221	
Amortisation of lease hold land (Note 20)	27,846	27,846	
		17,296,680	18,257,703
13. STAFF COSTS			
Staff costs under:			
Cost of sales (Note 9)	11,541,548	11,336,393	
Selling and marketing costs (Note 10)	1,938,089	1,739,510	
Administrative expenses (Note 11)	7,701,982	8,060,251	
		21,181,619	21,136,154
Staff costs is made up of:			
Salaries and wages	8,244,576	8,620,860	
Social Security Contribution	1,168,690	1,200,772	
Payroll tax (SDL)	30 756,937	598,022	
Post-employment and long service costs	29 769,788	813,882	
Other employment costs and employee benefits ^{3*}	10,241,628	9,902,618	
		21,181,619	21,136,154

³ Amount includes other short-term employment benefits such as pension contribution to endowment scheme, staff bonus, staff allowances, canteen services, transport services and medical

	Notes	2020 TZS '000	2019 TZS '000
14. OTHER OPERATING EXPENSES			
Local government levies and other taxes ⁴	3,695,504	6,307,290	
Property taxes	14,277	228,858	
		3,709,781	6,536,148
15. FINANCE INCOME			
Interest income on short term bank deposits	1,819,274	1,246,054	
		1,819,274	1,246,054
16. FINANCE COSTS			
Interest expense on short-term borrowing	53,386	54,073	
Interest expense on lease liabilities	1,239,121	1,762,685	
		1,292,507	1,816,758
17. NET GAIN/(LOSS) ON FOREIGN CURRENCY TRANSLATION			
Exchange gain - realised	1,563,927	1,672,103	
Exchange loss - realised	(807,321)	(1,655,720)	
Sub-total		756,606	16,383
Exchange gain - unrealised	6,213,809	2,123,331	
Exchange loss - unrealised	(5,013,049)	(2,949,728)	
Sub-total		1,200,760	(826,397)
Net foreign exchange (loss) /gain		1,957,366	(810,014)

⁴ Includes provision for tax assessments of TZS 2.3 billion (2019: TZS 5.3 billion) services.

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

18. PROPERTY, PLANT AND EQUIPMENT (PPE)

	Building and Roads TZS'000	Production machinery & equipment TZS'000	Other equipment TZS'000TZS'000	Capital items in stock TZS'000	Capital work-in progress (CWIP) ⁵ TZS'000	Total
Cost						
At 01 January 2019	46,983,187	206,437,873	16,849,743	3,254,880	3,126,422	276,652,105
Additions	-	-	-	218,067	10,666,031	10,884,098
Transfers	3,544,469	2,994,508	1,058,095	(247,166)	(7,349,906)	-
Write off	-	-	-	(150,722)	-	(150,722)
At 31 December 2019	50,527,656	209,432,381	17,907,838	3,075,059	6,442,547	287,385,481
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
Accumulated depreciation						
At 01 January 2019	16,938,591	106,227,072	13,630,717	-	-	136,796,380
Charge during the year	1,941,212	11,444,802	1,173,176	-	-	14,559,190
At 31 December 2019	18,879,803	117,671,874	14,803,893	-	-	151,355,570
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
Net carrying amount						
At 31 December 2020	30,015,867	84,640,200	2,304,599	1,752,859	14,679,623	133,393,148
At 31 December 2019	31,647,853	91,760,507	3,103,945	3,075,059	6,442,547	136,029,911

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

⁵ Included in CWIP is all on going projects for sustaining, expansion and growth of production facilities of the Company.

19. INTANGIBLE ASSET

	Software TZS '000	Mining rights TZS '000	Total TZS '000
Cost			
At 01 January 2019	4,310,228	919,530	5,229,758
Additions	-	-	-
At 31 December 2019	4,310,228	919,530	5,229,758
Accumulated amortisation			
At 01 January 2019	3,802,909	122,314	3,925,223
Charge during the year	455,221	-	455,221
At 31 December 2019	4,258,130	122,314	4,380,444
Carrying value at 31 December 2019	52,098	797,216	849,314
Cost			
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
Accumulated amortisation			
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
Carrying value at 31 December 2020	-	797,216	797,216

20. LEASEHOLD LAND

	2020 TZS'000	2019 TZS'000
At 01 January	1,064,467	1,092,313
Additions	-	-
	1,064,467	1,092,313
Less: Amortisation for the year	(27,846)	(27,846)
At 31 December	1,036,621	1,064,467
Within one year	27,846	27,846
After one year	1,008,775	1,036,621
	1,036,621	1,064,467

Lease amount was paid upfront and amortised over the useful life. The remaining lease period for leasehold land is 72 years.

21. RIGHT-OF-USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land TZS'000	Equipment's TZS'000	Total TZS'000
As at 01 January 2019	204,897	10,441,320	10,646,217
Additions	-	-	-
Depreciation expense	(2,732)	(3,212,714)	(3,215,446)
As at 31 December 2019	202,165	7,228,606	7,430,771
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

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

	2020 TZS'000	2019 TZS'000
21. RIGHT-OF-USE ASSETS (continued)		
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		
Raw materials, additives, consumables and spare parts	62,599,036	66,596,850
Work - in - progress	3,041,651	5,717,441
Finished goods and goods for resale		
- Twiga Extra Cement	205,780	179,170
- Twiga Ordinary Cement	183,674	428,391
- Twiga Plus Cement	424,345	398,768
- Twiga Aggregate	-	139
Less: Provision for obsolete stock (a)	(13,097,354)	(11,160,867)
Provision for impairment of spare parts and consumables (b)	(952,349)	(561,065)
	52,404,781	61,598,827
(a) Movement in provision for obsolete stock		
At 01 January	11,160,867	8,708,194
Charge during the year	2,917,649	2,452,673
Transfer of Capital Items in stock provision to PPE	(981,162)	-
At 31 December	13,097,354	11,160,867
(b) Movement in provision for impairment of spare parts and consumables		
At 01 January	561,065	561,065
Charge/(release) of provision	391,284	-
At 31 December	952,349	561,065

	2020 TZS'000	2019 TZS'000
(c) Value of inventories expensed during the year	125,967,233	88,145,394
During 2020, none of the Company's inventories balances were pledged as security for liabilities.		
23. TRADE RECEIVABLES		
Trade Receivables	42,482,213	43,739,162
Allowances for expected credit losses	(1,391,297)	(2,432,294)
	41,090,916	41,306,868

Set out below is the movement in the allowance for expected credit losses of trade receivables:

At 01 January	(2,432,294)	(2,041,002)
Provision for expected credit losses	(220,486)	(391,292)
Release of provision during the year	1,261,482	-
At 31 December	(1,391,297)	(2,432,294)

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

Trade receivables decreased despite a significant increase in sales. In 2020, TZS 1.39 billion (2019: TZS 2.43 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).

	2020 TZS'000	2019 TZS'000
24. OTHER SHORT-TERM OPERATING RECEIVABLES		
Prepaid expenses	1,713,408	1,980,357
Other short-term receivables:		
Staff advances	385,912	326,086
Advances to suppliers	10,792,189	8,578,581
Other short-term receivables*	2,799,510	1,024,510
	13,977,611	9,929,177
Gross debtors	15,691,019	11,909,534
<i>Allowance for expected credit losses⁶</i>	<i>(1,209,962)</i>	<i>(1,209,962)</i>
	14,481,057	10,699,572
<i>Movement in allowance for expected credit losses</i>		
At 01 January	(1,209,962)	(744,188)
Provision for expected credit losses	-	(465,774)
At 31 December	(1,209,962)	(1,209,962)

*- Other short-term receivables consist of TZS 2.7 billion deposit to Tanzania Revenue Authority as a requirement for filling objection regarding tax cases disclosed under note 40.

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.

	2020 TZS'000	2019 TZS'000
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 2020, the outstanding amounts relate to the Lugoba aggregates plant, expected conclusion of repayments to be by August 2022.		
Amount receivable as at 31 December		
Balance brought forward	10,626,640	14,704,713
Proceeds received	(8,680,640)	(4,078,073)
Total amount receivable	1,946,000	10,626,640
Current portion	600,000	4,721,453
Non-current portion	1,346,000	5,905,187
	1,946,000	10,626,640
26. CASH AND CASH EQUIVALENT		
Cash at bank - local currency	2,773,090	6,985,403
Cash at bank - foreign currency	101,069,428	65,677,699
Cash at hand	13,252	21,591
	103,855,770	72,684,693

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:

Cash and cash equivalents as above	103,855,770	72,684,693
Net cash and cash equivalent	103,855,770	72,684,693

⁶ Included in ECL is prepayment for projects that are likely not to be executed

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

27. SHARE CAPITAL

AUTHORISED, ISSUED AND FULLY PAID UP

	2020 TZS'000	2019 TZS'000
179,923,100 Ordinary Shares of TZS 20 each	3,598,462	3,598,462

SHAREHOLDING

Shareholders:	Number of Shares	Number of Shares
Scancem International DA	124,598,500	124,598,500
General Public	54,923,107	54,923,107
Wazo Hill Savings and Credit Cooperative Society	401,493	401,493
	179,923,100	179,923,100

28. LEASE LIABILITIES

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

	2020 TZS'000	2019 TZS'000
As at 01 January	8,071,751	-
Impact of initial application of IFRS 16	-	10,646,217
As at 01 January - Restated	-	10,646,217
Additions	11,713	-
Accretion of interest	1,239,121	1,762,685
Payments	(4,337,193)	(4,337,151)
Write off	(28,246)	-
As at 31 December	4,957,146	8,071,751

	2020 TZS'000	2019 TZS'000
Current	3,725,915	4,974,507
Non-current	1,231,231	3,097,244
	4,957,146	8,071,751

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	3,215,594	3,215,446
Interest expense on lease liabilities	1,239,121	1,762,685
Expense relating to leases of low-value assets ⁷	1,125,872	930,149
Total amount recognised in profit or loss	5,580,586	5,908,280

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.

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).

The Company contributions during the year were as follows:

Endowment Scheme	750,062	766,949
National Social Security Fund (NSSF)	1,168,690	1,200,772
	1,918,752	1,967,721

⁷ Included in administrative expenses

29. EMPLOYMENT BENEFIT LIABILITIES (Continued)

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:

Present value of unfunded obligations	4,062,080	5,491,631
---------------------------------------	-----------	-----------

Net liability recognised in the statement of financial position

Post-employment benefit	3,797,522	5,189,559
Other long-term benefits	264,558	302,072
	4,062,080	5,491,631

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

Current service cost	238,129	250,002
Interest on obligation	531,659	563,880
Expense recognised in profit or loss	769,788	813,882

Actuarial losses on defined benefit plan:

Post-employment benefit	(1,408,044)	1,316,416
Other long-term benefits	(61,670)	95,084
(Income)/expense recognised in OCI	(1,469,714)	1,411,500

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

Post-employment benefits		
Opening balance (end-of-service benefits)	5,061,575	4,721,723
Current service costs	225,490	222,782
Interest cost	491,797	518,781
Past service costs	-	(1,014,500)
Benefits payments	(701,280)	(714,006)
Actuarial (gains)/losses	(1,408,044)	1,316,416
Closing balance (end-of-service benefits)	3,669,538	5,061,575

Other long-term benefits

Opening balance (long-service awards)	430,056	397,881
Current service costs	12,639	16,841
Interest cost	39,862	45,098
Past service costs	-	(73,276)
Benefits payments	(28,345)	(51,572)

- Sub-total: change in provision for other long-term benefits	24,156	(62,909)
Actuarial (gains)/losses	(61,670)	95,084
Closing balance (long-service awards)	392,542	430,056
Total amount of obligation	4,062,080	5,491,631

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

29. EMPLOYMENT BENEFIT LIABILITIES (Continued)

Expected benefit payments

	Expected benefits payments		Expected contributions	
	2020 TZS '000	2019 TZS '000	2020 TZS '000	2019 TZS '000
In the following year	923,309	2,122,275	40,433	-
In current year +2	387,416	446,340	16,965	49,593
In current year +3	123,377	672,222	5,403	74,691
In current year +4	450,278	199,251	19,718	22,139
In current year +5	664,432	591,557	29,096	65,729
In current year + 6 and >				
(in aggregate)	<u>3,384,711</u>	<u>3,501,002</u>	<u>148,220</u>	<u>389,000</u>

The average duration of the defined benefit plan obligation at the end of the reporting period is 15 years (2019: 15 years).

Significant actuarial assumptions

	2020	2019
Discount rate at 31 December	12%	12%
Future annual salary increases	5%	5%
Interest/inflation rate	4%	5%
Retirement age	60 years	60 years
Cement per ton price	TZS 114,699	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:

	2020 TZS '000	2019 TZS '000
Discount +1%	(3,935,091)	(5,358,469)
Discount -1%	(4,197,294)	(5,633,139)
Service plus interest cost discount +1%	764,355	769,490
Service plus interest cost discount -1%	772,027	769,788

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.

	2020	2019
<i>Membership statistics</i>		
Employees	257	283
<i>Active members⁸</i>		
Headcount	247	264
Average age	42	42
Average future service	13	13
Average annual pensionable salary	<u>29,522</u>	<u>36,512</u>

The scheme has no retired or inactive members.

The key assumptions and their sensitivity analyses are discussed further below.

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:

⁸ Active members are mainly employees under the Collective Bargain Agreement

	2020 TZS '000	2019 TZS '000
30. OTHER STATUTORY PAYROLL REMITTANCES (Continued)		
Skills and Development Levy	756,937	598,022
Workers Compensation Fund	83,590	90,916
The amount deducted from the employees' salaries and wages in the year in respect of PAYE is:		
Pay As You Earn	4,389,624	4,468,571
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	87,910	23,291
Pay As You Earn	538,380	561,682
Workers Compensation Fund	12,885	94,578
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.		
At 1 January	2,128,377	3,085,619
Provision for the year	146,645	-
Release of provision	-	(957,242)
At 31 December	2,275,022	2,128,377

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% (2019: 15.49%) which fairly approximates the market rate
- ⇒ Tanzania inflation rate used was 4% (2019: 7%)

	2020 TZS '000	2019 TZS '000
The expected timing of the provision is to be utilised over periods after more than one year from the reporting date.		
32. INCOME TAX		
(i) Income tax expense		
Current income tax charge	36,493,596	29,209,746
Deferred income tax credit	(3,543,761)	(3,038,044)
Deferred income tax credit - prior period	(196,971)	-
	32,752,864	26,171,702
(ii) Reconciliation of tax expense to tax based on accounting profit:		
Accounting profit before taxation	107,429,235	85,874,986
Tax applicable rate of 30% (2019: 30%)	32,228,770	25,762,496
Tax effect on non-taxable/non-deductible items		
Disallowable expenses for tax purposes ⁹	721,075	409,206
Prior year deferred tax adjustment	(196,983)	-
Income tax expense	32,752,862	26,171,702
(iii) Deferred income tax		
Accelerated depreciation for tax purposes	85,647,684	91,997,812
Provisions for post-employment benefits	(1,596,869)	(2,644,483)
Write-down of inventory to net realisable value	(15,030,865)	(11,721,932)
Actuarial losses on employee benefits obligation	(2,464,845)	(3,934,559)
Provision for impairment of receivables	(2,601,310)	(3,642,306)
Provision for quarry site restoration	(2,275,023)	(2,128,377)
Unrealised exchange loss	(2,719,482)	(2,949,728)
Unrealised exchange gain	2,765,528	2,123,331
Other temporary differences	(14,145,852)	(8,521,397)
	47,578,966	58,578,361

⁹ Disallowable expenses for tax purposes includes donations, entertainment, and contribution to private pension schemes.

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

	2020 TZS '000	2019 TZS '000
32. INCOME TAX (Continued)		
Deferred income tax liability thereon at 30%	14,273,690	17,573,508
Less: Opening deferred tax liability	(17,573,508)	(21,035,002)
Deferred income tax charge	(3,299,818)	(3,461,484)
Deferred income tax credit to profit	(3,543,761)	(3,038,044)
Deferred income tax credit - prior period	(196,971)	-
Deferred income tax charge/(credit) to other comprehensive income	440,914	(423,450)
	(3,299,818)	(3,461,494)
(iv) Current income tax payable		
Tax payable/(receivable) brought forward	1,027,428	3,575,758
Tax charge for the year	36,493,596	29,209,746
Tax payments during the year	(36,507,255)	(31,758,076)
Current income tax payable	1,013,768	1,027,428
33. TRADE AND OTHER PAYABLES		
Trade payables - third parties	35,474,543	46,661,796
Trade payables - interCompany 39(c)	4,619,374	8,220,179
Accruals*	18,133,034	12,026,853
Contract liabilities 34	6,482,897	3,010,513
Short-term operating payables	1,155,406	1,096,866
Payables for payroll and related costs	2,894,942	2,286,342
	68,760,196	73,302,549

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

	2020 TZS '000	2019 TZS '000
⇒ 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 1.1 billion		
*Accruals consist of costs for services rendered, but invoices have not been received, including electricity and natural gas costs.		
34. CONTRACT LIABILITIES		
Opening balance	3,010,513	1,919,803
Advances for cement sales	6,482,897	3,010,513
Recognised as revenue during the year	(3,010,513)	(1,919,803)
	6,482,897	3,010,513

The performance obligation is satisfied when cement trucks are weighed at Tanzania Portland Cement Plc's weighbridge and a delivery note is generated. Contact 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.

Interest payable as at 31 December	5,021	5,021
------------------------------------	-------	-------

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

	2020 TZS '000	2019 TZS '000
36. NET DEBT RECONCILIATION		
As at 31 December 2020, the Company did not have any bank overdrafts.		
Cash and cash equivalents (excluding restricted cash)	103,855,770	72,684,693
Borrowings (interest bearing loan)	5,021	5,021
Lease liabilities	(4,957,146)	(8,071,751)
Net Cash/(debt)	98,903,645	64,617,963
Cash and liquid investments	103,855,770	72,684,693
Gross debt - variable interest rates	(4,957,146)	(8,071,751)
Gross debt - fixed interest rates	5,021	5,021
Net Cash/(debt)	98,903,645	64,617,963
37. DIVIDEND PROPOSED AND APPROVED		
Dividend approved during the year		
Dividends on ordinary shares:		
Final dividend 2019: TZS 290 per share (2018: TZS 290 per share)	52,177,699	52,177,699
Total	52,177,699	52,177,699
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 2020 totalling TZS 70.17 billion (2019: TZS 52.17 billion) being TZS 390 per share (2019: TZS 290 per share).		

	2020 TZS '000	2019 TZS '000
38. DIVIDEND PAYABLE		
Dividend payable as at year end comprises of:		
Scancem International DA	-	-
Other Shareholders	2,856,463	3,217,502
	2,856,463	3,217,502
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.		
(ii) Purchases from related parties		
The Company purchases raw materials, spare parts, consumables, and services from related party companies as follows:		
Related party	Relationship	
Heidelberg Cement AG	Ultimate parent	
	Company	4,310,245
		3,592,556
Scancem International DA	Holding Company	-
		176,940
HC Trading Malta Limited	Sister Company	12,737,539
		14,274,150
HC Green Trading Limited	Sister Company	445,506
		905,330
SA Cimenteries CBR		
Cementbedrijven	Sister Company	686,075
		1,094,912
Ghacem	Sister Company	-
		7,670
		18,179,365
		20,051,558

NOTES TO THE FINANCIAL
STATEMENTS (Continued)**39. RELATED PARTY TRANSACTIONS (Continued)****(iii) Amounts due to/from related parties**

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

Due from related parties

Cimenterie de Lukala (CILU)	-	50,056
-----------------------------	---	--------

Due to related parties

Heidelberg Cement AG	226,142	843,617
Scancem International DA	-	576,382
HC Trading Malta Limited	4,393,232	6,800,180
	4,619,374	8,220,179

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 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2019: 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.

Short-term employee benefits (Salaries and allowances)	5,180,860	5,254,583
Post-employment benefits (defined contribution plans)	394,438	381,368
	5,575,297	5,635,951

- ⇒ No termination or other long-term benefits were paid to key management personnel during the year (2019: 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

Non-executive Chairman	18,739	16,746
Non-executive Directors	74,958	66,984
Executive Director	18,739	16,746
	112,436	100,476

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

(c) Balances with Directors

No outstanding balances with the directors during the year (2019: Nil).

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:

Guarantees and standby letters of credit received from banks	34,135,861	29,559,076
--	-------------------	-------------------

40. COMMITMENTS AND CONTINGENCIES (Continued)**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 (2019: TZS 1.3 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 during the year 2019 and the Company is due to receive TZS 250 million. The settlement will be through TPCPLC realising asset pledged as collateral.

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 2020, 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 the significant tax matters which corroborates the application and interpretation of the tax legislation. The Company have considered all matters in dispute with the TRA and has accounted for any exposure identified if required.

41. EARNINGS PER SHARE

	2020 TZS	2019 TZS
Profit attributable to ordinary equity holders	74,676,370,396	59,703,284,479
Weighted average number of ordinary shares	179,923,100	179,923,100
Basic and diluted earnings per share (TZS)	<u>415</u>	<u>332</u>

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.

42. SEGMENT REPORTING

The Company's main product currently is cement which is produced in two grades. The majority of 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 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.

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

77

43. FINANCIAL RISK MANAGEMENT (Continued)

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).

	Increase/(decrease) in the value of TZS vs. USD	Effect on before tax TZS'000	Effect on Equity TZS'000
Net effect based on statement of financial position as at 31 December 2020	+10% -10%	9,467,411 9,467,411	9,467,411 9,467,411
Net effect based on statement of financial position as at 31 December 2019	+10% -10%	2,198,660 2,198,660	2,198,660 2,198,660

The sensitivity analysis has been determined based on the net exposure as at 31 December 2020. 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:

At 31 December 2020	Exposure in EURO translated to TZS TZS'000	Exposure in USD translated to TZS TZS'000	Total in function currency TZS'000
Financial assets			
Trade and other receivables	-	482,639	482,639
Cash and cash equivalents	564,761	95,055,833	95,620,594
Other Financial Assets	-	-	-
	564,761	95,538,472	96,103,233
Financial liabilities			
Trade and other payables	1,187,824	864,362	2,052,186
	(623,062)	94,674,110	94,051,048
At 31 December 2019			
Financial assets			
Trade and other receivables	-	1,275,489	1,275,489
Cash and cash equivalents	11,616	15,382,479	15,394,095
Other financial assets	-	10,626,640	10,626,640
	11,616	27,284,608	27,296,224
Financial liabilities			
Trade and other payables	1,437,329	5,298,005	6,735,335
	(1,425,714)	21,986,603	20,560,889

43. FINANCIAL RISK MANAGEMENT (Continued)**b. Foreign currency risk (Continued)**

Exchange rates applicable were as follows:

	TZS: EURO	TZS: USD
On 1 January 2020	2,629	2,321
On 31 December 2020	2,915	2,337
On 1 January 2019	2,579	2,310
On 31 December 2019	2,629	2,321

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.

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 2020, 80% (2019: 68%) 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:

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

43. FINANCIAL RISK MANAGEMENT (Continued)

c. Credit risk management (Continued)

Trade receivables					
Days past due					
	Current	31-90 days	91-180 days	181-360 days	Total
31 December 2020					
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
31 December 2019					
Expected credit loss rate	0.003%	0.003%	4%	47%	
Estimated total gross carrying amount at default	18,074,556	14,704,017	6,368,705	4,591,884	43,739,162
Expected credit loss	561	457	283,829	2,147,446	2,432,293

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 2020 and 2019 is the carrying amounts as illustrated in the table below:

Maximum exposure to credit risk

	Notes	2020 TZS'000	2019 TZS'000
Trade receivables	23	41,090,916	41,306,868
Other short-term financial assets	24	14,481,057	10,699,572
Other financial assets	25	1,946,000	10,626,640
Bank balances	26	103,842,518	72,663,102
		161,360,491	135,296,182
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:			
Trade receivables	23	41,090,916	41,306,868
Bank guarantees	39	(34,135,861)	(29,559,076)
Unguaranteed trade receivables		6,955,055	11,747,792

43. FINANCIAL RISK MANAGEMENT (Continued)

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.

	On-demand TZS '000	Less than 3 months TZS '000	1 to 5 years TZS '000	More than 5 years TZS '000	Total TZS '000
At 31 December 2020					
Financial liabilities					
Interest-bearing loan	-	5,021	-	-	5,021
Trade and other payables	2,894,942	60,365,551	5,499,703	-	68,760,196
Lease liabilities	-	-	5,534,421	2,098,116	7,632,537
	<u>2,894,942</u>	<u>60,370,572</u>	<u>11,034,124</u>	<u>2,098,116</u>	<u>76,397,754</u>

At 31 December 2019**Financial liabilities**

Interest-bearing loan	-	5,021	-	-	5,021
Trade and other payables	1,312,489	71,990,060	-	-	73,302,549
Lease Liabilities	-	-	9,882,464	2,246,254	12,128,718
	<u>1,312,489</u>	<u>71,995,081</u>	<u>9,882,464</u>	<u>2,246,254</u>	<u>85,436,288</u>

The amount for interest-bearing loans as at 31 Dec. 2020 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 creditors.

e. Fair value measurements

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.

Fair value for other financial assets is based on Level 2 — Valuation techniques, as significant inputs required to fair value the assets are directly or indirectly observable.

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)	
			2020	2019
	Market approach	6 months LIBOR interest rates	1.91% - 0.29%	2.81% - 1.91%
		TZS: USD foreign exchange rates	2,321 – 2,337	2,310 - 2,321

Below describes the impact on changes in the fair value measurement, due to the upon possible shift of significant observable inputs.

NOTES TO THE FINANCIAL
STATEMENTS (Continued)

81

43. FINANCIAL RISK MANAGEMENT (Continued)

	Fair Value	Valuation Technique	Significant Observable Inputs	Weighted Average Input	Possible shift +/- (Absolute value)	Change in Valuation +/-
As at 31 December 2020			6 months LIBOR interest rates	1.91%	1.62%	21,805/(21,805)
	1,346,000	Market approach				
As at 31 December 2019			6 months LIBOR interest rates	2.81%	0.90%	53,147/(53,147)
	5,905,187	Market approach				

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 2020 and 31 December 2019.

	Notes	2020 TZS '000	2019 TZS '000
Financial liabilities less cash and cash equivalents			
Interest-bearing loans	35	5,021	5,021
Trade and other payables	33	68,760,482	73,302,549
Cash and cash equivalents	26	(103,855,770)	(72,684,693)
Net debt		(35,090,267)	622,877
 Total Equity		 255,000,759	 231,473,287
Capital and net debt		219,910,492	232,096,164
Gearing ratio		0%	0.3%

The gearing ratio decreased to 0% as of 31 December 2020 (2019: 0.3%) due to the decrease in net debt and increase total equity.

44. COVID-19 IMPACT ASSESSMENT

Due to the coronavirus (COVID-19) pandemic, Governments across the world have declared national lockdowns, which have resulted in extensive travel restrictions and quarantine measures being implemented. Businesses globally have had to limit or suspend their operations and as such, the COVID-19 measures implemented by governments globally have severely impacted a wide range of industries. It is however not possible to accurately predict the full extent and duration of its economic impact.

There does not currently appear to be either any significant impact upon 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. EVENTS AFTER THE REPORTING DATE

There were no other events after the reporting date which requires adjustment or disclosure in the financial statements.

46. 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 page. They are subject to approval by the shareholders during the Annual General Meeting.



Twiga Cement Women Group

FOMU YA MWAKILISHI

Kwa matumizi kwenye Mkutano Mkuu wa Mwaka wa
Tanzania Portland Cement 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

kwa njia ya mtandao,
Tarehe: 25 Mei 2021
Saa: Nne asubuhi – 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



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: virtually, through an internet-based platform
Date: 25 May 2021 at 10:00 am 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







TANZANIA PORTLAND CEMENT COMPANY LIMITED

www.twigacement.com

P.O. Box 1950, Dar es Salaam, Tanzania

Tel: +255 22 5522000

Fax: +255 22 5522009

info@twigacement.com