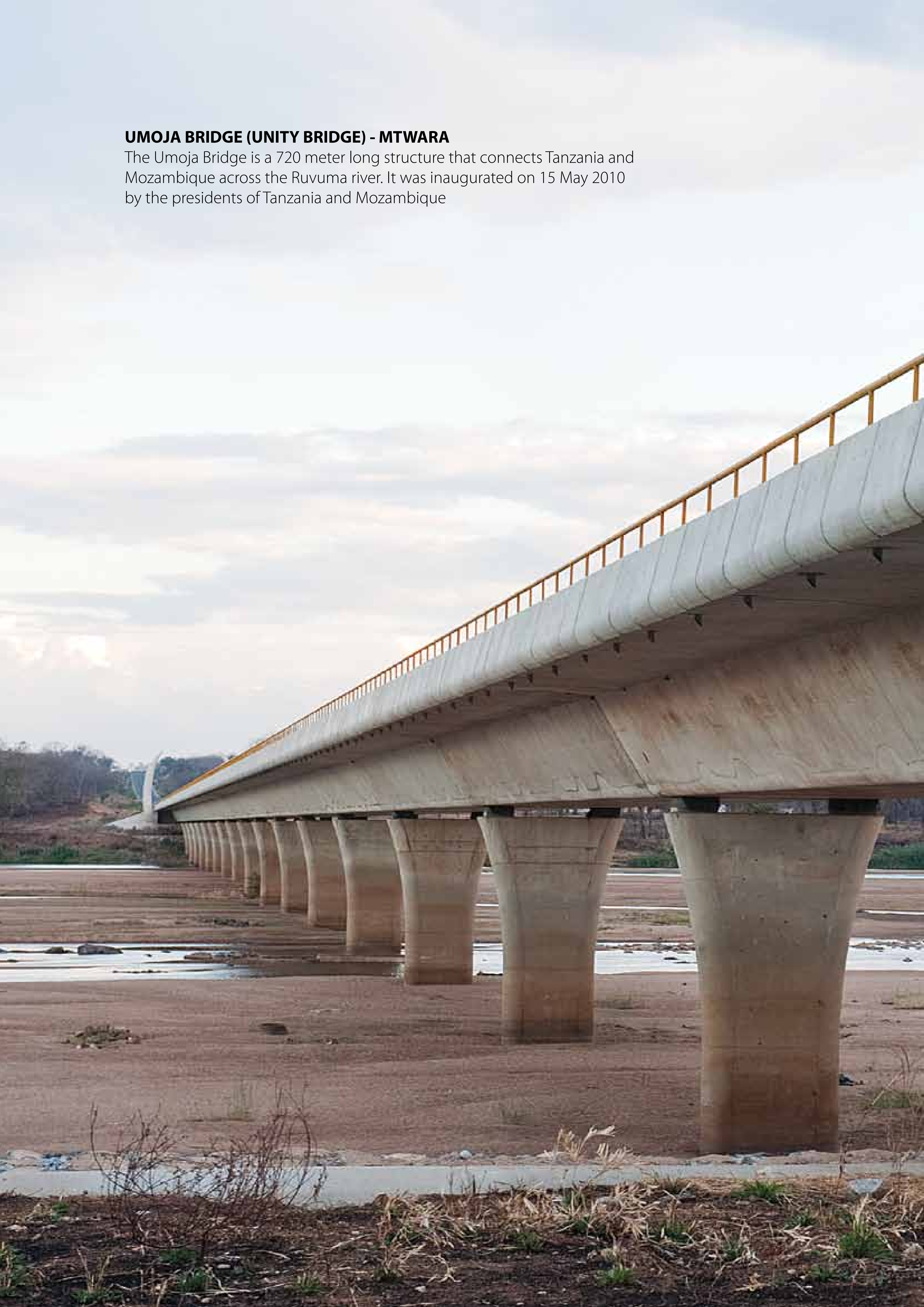
ANNUAL REPORT | 2011
TAARIFA YA MWAKA

SIMBA CEMENT

A Quality product from Tanga Cement Company Limited

UMOJA BRIDGE (UNITY BRIDGE) - MTWARA

The Umoja Bridge is a 720 meter long structure that connects Tanzania and Mozambique across the Ruvuma river. It was inaugurated on 15 May 2010 by the presidents of Tanzania and Mozambique



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After a slow start during the first half of 2011 due to delayed government funding for various infrastructure projects, demand increased dramatically from August, resulting in healthy market growth for the full year. With its reputation for high quality and durability, Simba Cement increased sales in line with demand, achieving a revenue increase of over 8%.

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Tanga Cement Company Limited has continued with its Corporate Social Investment program of investing in Tanzanian society by contributing one percent (1%) of its profits before tax. For the year 2011, the company contributed a total of Tzs341 million for various projects. The amount invested in 2011 represents a 38.7% increase over the previous year.

Corporate Social Investments
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The pace of our environmental initiatives was maintained, with concurrent rehabilitation of all our raw material quarries, both on-site and off-site, satisfying legal requirements and enhancing the greening campaign. An additional 3,500 teak trees planted in an open area near the factory at the end of 2010 and a further 2,500 trees of various other species planted in 2011 on the property's borders have all thrived, transforming the landscape.

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Yaliyomo

Kama mchangiaji mkubwa wa uchumi wa Tanzania, ninayo fahari ya utendaji chanya uliotolewa na wafanyakazi wa Kampuni ya Tanga Cement katika kipindi cha mwaka 2011.

Chairperson's Statement
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Baada ya kuanza polepole katika nusu ya kwanza ya mwaka 2011, kutokana na kuchelewa kwa mfuko wa serikali kwa ajili ya miradi mbalimbali ya miundombinu, mahitaji yaliongezeka kwa kasi kutoka Agosti, na kusababisha ukuaji wa soko kwa mwaka mzima. Kutokana na sifa yake ya ubora wa hali ya juu na uimara, Simba Cement iliongeza mauzo kulingana na mahitaji, kufikia kuongeza mapato kwa zaidi ya asilimia 8.

Managing Director's Report
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Kampuni ya Tanga Cement imeendelea na mpango wake wa Uwekezaji wa Kijamii katika kuwezesha jamii ya Watanzania kwa kuchangia asilimia moja (1%) ya faida yake kabla ya kodi. Kwa mwaka 2011, Kampuni imechangia jumla ya shilingi milioni 341 kwa ajili ya miradi mbalimbali. Kiasi hiki kilichowekezwa mwaka 2011 kinawakilisha ongezeko la asilimia 38.7 la mwaka uliopita.

Corporate Social Investments
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Sambamba na mipango yetu ya mazingira tuliyoianzisha iliimarishwa, pamoja na ukarabati wenza wa machimbo yetu yote ya malighafi, vyote viwili kiwandani na nje ya kiwanda, tukifikia mahitaji ya kisheria na tukiimarisha kampeni kijani. Ziada ya mitiki 3,500 ilipandwa katika eneo la wazi karibu na kiwanda mwishoni mwa mwaka 2010 na zaidi ya miti 2500 ya aina mbalimbali iliyopandwa kwenye mipaka ya yetu yote ilistawi, kubadilisha mazingira.

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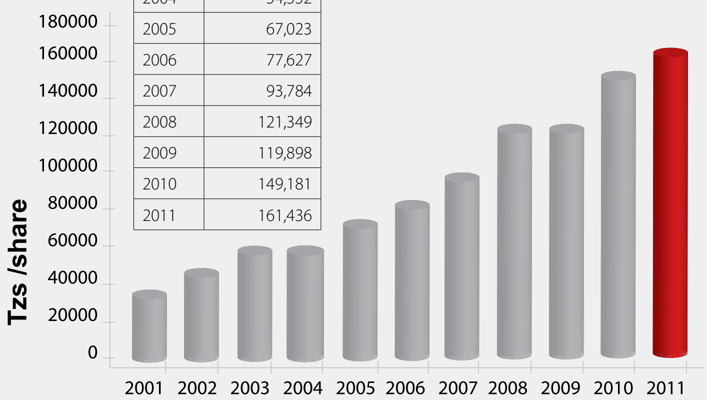
Financial Summary

Dividend per share: 2010 : Tzs 247
2011 : Tzs 86

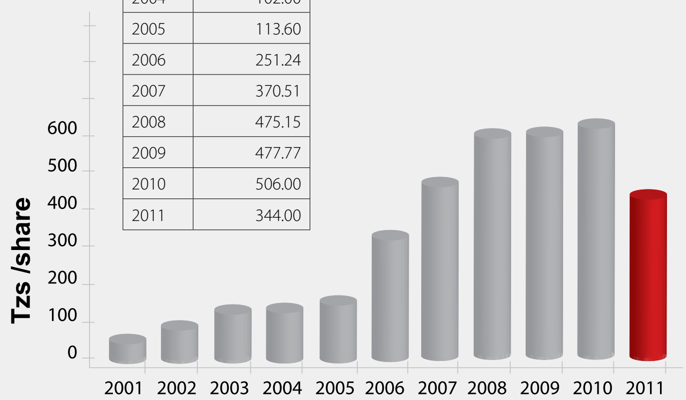
REVENUE

Year	Tzs billions
2001	28,892
2002	40,362
2003	50,888
2004	54,352
2005	67,023
2006	77,627
2007	93,784
2008	121,349
2009	119,898
2010	149,181
2011	161,436



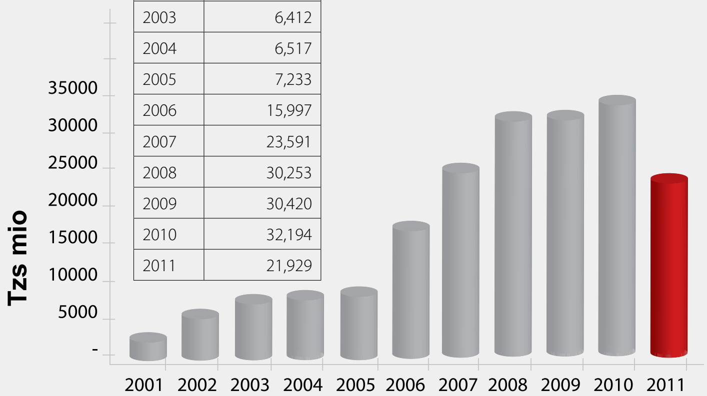
EARNINGS PER SHARE

Year	Tzs
2001	26.82
2002	73.50
2003	101.00
2004	102.00
2005	113.60
2006	251.24
2007	370.51
2008	475.15
2009	477.77
2010	506.00
2011	344.00



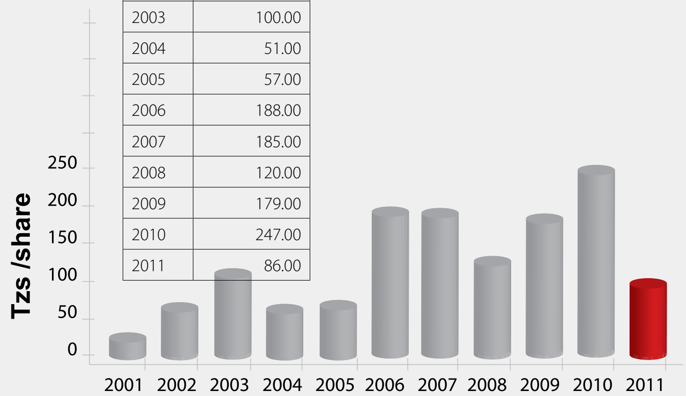
PROFIT AFTER TAXATION

Year	Tzs billions
2001	1,708
2002	4,680
2003	6,412
2004	6,517
2005	7,233
2006	15,997
2007	23,591
2008	30,253
2009	30,420
2010	32,194
2011	21,929



DIVIDEND PER SHARE

Year	Tzs
2001	13.40
2002	55.00
2003	100.00
2004	51.00
2005	57.00
2006	188.00
2007	185.00
2008	120.00
2009	179.00
2010	247.00
2011	86.00



Vidokezo vya Mapato

Gawio kwa hisa: 2010 : Tzs 247
2011 : Tzs 86

MAPATO

Mwaka	Tzs bilioni
2001	28,892
2002	40,362
2003	50,888
2004	54,352
2005	67,023
2006	77,627
2007	93,784
2008	121,349
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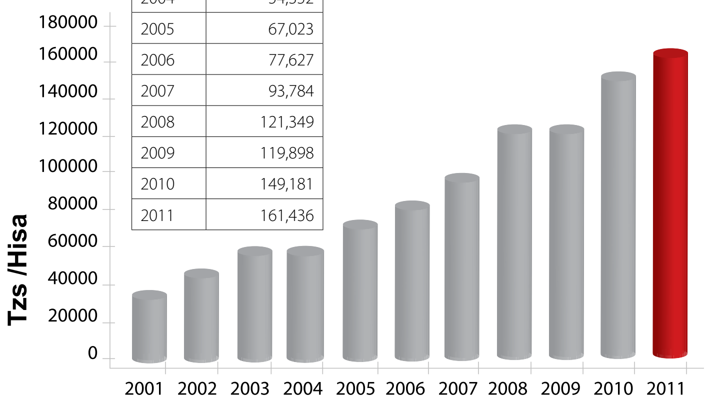
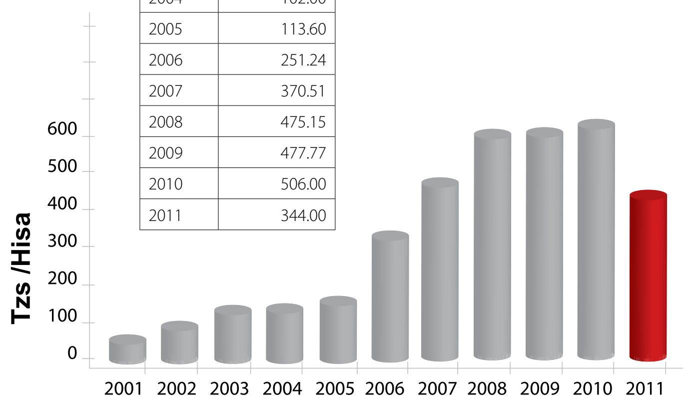


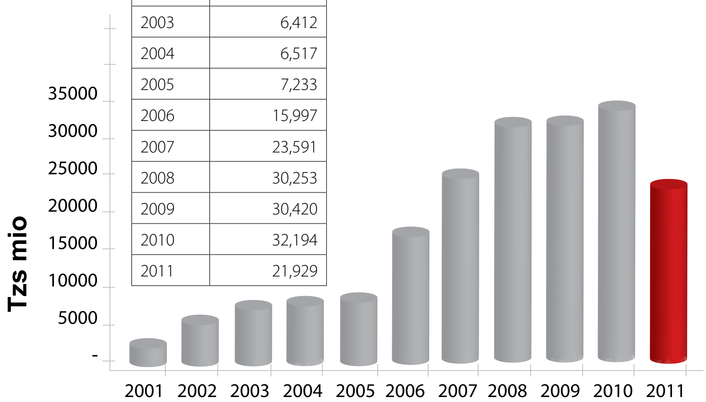
MAPATO KWA HISA

Mwaka	Tzs
2001	26.82
2002	73.50
2003	101.00
2004	102.00
2005	113.60
2006	251.24
2007	370.51
2008	475.15
2009	477.77
2010	506.00
2011	344.00



FAIDA BAADA YA KODI

Mwaka	Tzs bilioni
2001	1,708
2002	4,680
2003	6,412
2004	6,517
2005	7,233
2006	15,997
2007	23,591
2008	30,253
2009	30,420
2010	32,194
2011	21,929



GAWIO KWA HISA

Mwaka	Tzs
2001	13.40
2002	55.00
2003	100.00
2004	51.00
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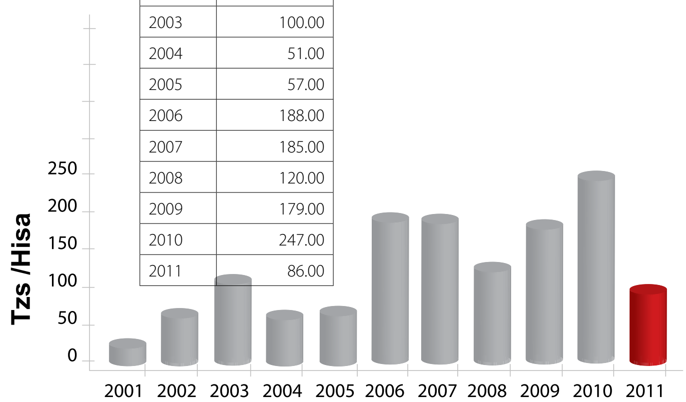


Board of Directors and Profiles

Prof Samuel Wangwe (63) - Tanzanian
(Non-executive)
Ph.D (Economics), BA (Economics)

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

Prof Samuel Wangwe (63) - Mtanzania
Kaimu Mwenyekiti (Si-Mtendaji)
Ph.D (Uchumi), BA (Uchumi)

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

Erik Westerberg (59) - Swedish
Managing Director (Executive)
Mechanical Engineer

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

Erik Westerberg (59) - Mswidi
Mkurugenzi Mtendaji (Mtendaji)
Mhandisi Mitambo

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

Maelezo Mafupi kuhusu Wakurugenzi

Khamis Mussa Omar (47) - Tanzanian
(Non-Executive)
Msc (Development Studies)
PGD (Business Administration),
Advanced Diploma (Tax Management)

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

Khamis Mussa Omar (47) - Mtanzania
(Si-Mtendaji)
Msc (Mitaala ya Mendeleo)
PGD (Utawala wa Biashara),
Advanced Diploma (Usimamizi wa Kodi)

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

Cornelius Kariwa (51) - Tanzanian
(Non-Executive)
LLB (Hons)

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

Cornelius Kariwa (51) - Mtanzania
(Si-Mtendaji)
LLB (Hons)

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

Board of Directors and Profiles

Dr Stephan Olivier (52) - South African
(Non-Executive)
Ph.D (Biochemistry)

Dr Stephan Olivier is the Chief Executive Officer of Afrisam. He has held various positions in AfriSam, including Director for Marketing and Technical, Chief Operating Officer for Cement Operations. Dr. Olivier has served on the management committee of the Association of Cement Material Producers since 2006 and has been a member of the Holcim Technical Committee since 2004.

Dk Stephan Olivier (52) - Mwafrika Kusini
(Si-Mtendaji)
Ph.D (Biochemistry)

Dk Stephan Olivier ni Afisa Mtendaji Mkuu wa Afrisam. Amewahi kushikilia nyadhifa mbalimbali katika kampuni ya Afrisam ikiwamo cheo cha Mkurugenzi wa Masoko na Afisa Msimamizi mkuu. Dk Olivier amekuwa ni mjumbe wa kamati ya usimamizi ya umoja wa wazalishaji wa malighafi za saruji tangu mwaka 2006 na amekuwa ni mjumbe wa kamati ya ufundi ya Holcim tangu mwaka 2004.

Khadija Simba (66) - Tanzanian
(Non – Executive)
Enterpreneur

Khadija Simba an entrepreneur, founder and Managing Director of Kays Hygiene Products Limited. Founder and Managing Director of Diamond Distributors Services Limited. Founding member and Chairperson of Kawe Women Economic Development Trust Fund (KAWEDETF). Mrs Simba serves on various boards, committees and councils including the TCCIA, CTI, TPSF, TNBC, COSTECH, EADB, Commercial Court Users Committee, Tanzania Women's Bank Limited.

Khadija Simba (66) - Mtanzania
(Si-Mtendaji)
Mjasiriamali

Khadija Simba ni mjasiriamali, mwanzilishi na Mkurugenzi Mtendaji wa Kays Hygiene Products Limited. Mwanzilishi na Mkurugenzi Mtendaji wa Diamond Distributors Services Limited. Mwanachama mwanzilishi na Mwenyekiti wa Kawe Women Economic Development Trust Fund (KAWEDETF). Bi Simba ni mjumbe kwenye bodi mbalimbali, kamati na Halmashauri ikiwa ni pamoja na TCCIA, CTI, TPSF, TNBC, COSTECH, EADB, Kamati ya watumiaji ya Mahakama ya Biashara, Benki ya Wanawake Tanzania.

Maelezo Mafupi kuhusu Wakurugenzi

Duncan Matshoba (47) - South African
(Non-Executive)
BCom, BCompt (Hons), CTA

Duncan Matshoba joined AfriSam as the Chief Financial Officer on 1 July 2009. Prior to joining AfriSam Duncan held the positions of General Manager - Operations and Credit Risk at Nedbank, as well as Associate Director at PricewaterhouseCoopers and the Chief Financial Officer for the Royal Bafokeng Resources (Pty) Limited.

Duncan Matshoba (47) - South African
(Si-Mtendaji)
BCom, BCompt (Hons), CTA

Duncan Matshoba alijiunga AfriSam kama Afisa Mkuu wa Fedha tarehe 1 Julai 2009. Kabla ya kujiunga na AfriSam Duncan alifanyakazi katika benki ya Nedbank kwa nafasi ya Meneja Mkuu - Uendeshaji na Dhima ya Mikopo, pamoja na Mkurugenzi Mshiriki PricewaterhouseCoopers na Afisa Mkuu wa Fedha katika Royal Bafokeng Resources (Pty) Limited.

David Lee (55) - British
Company Secretary
FACCA

David Lee joined Tanga Cement Company Limited as the Chief Financial Officer and Company Secretary in April 2011. Prior to joining the company, David held various positions including of Finance Manager at Sandvik Mining and Construction Zimbabwe, Finance Manager at Zimbabwe Photo Marketing, Finance Director and Company Secretary with SKF Zimbabwe, Group Financial Controller Intertec Africa Limited for Malawi, Tanzania and Mozambique, as well as Regional Finance Director SKF Sub-Sahara region.

David Lee (55) - Mwingereza
Katibu wa Kampuni
FACCA

David Lee alijiunga na Kampuni ya Tanga Cement kama Afisa Mkuu wa Fedha na Katibu wa Kampuni mwezi Aprili 2011. Kabla ya kujiunga na kampuni, David alishika nyadhifa mbalimbali ikiwa ni pamoja na Meneja wa Fedha katika Kampuni ya Sandvik Mining and Construction ya Zimbabwe, Meneja wa Fedha wa Zimbabwe Photo Marketing, Mkurugenzi wa Fedha na Katibu wa Kampuni ya SKF Zimbabwe, Mdhibiti wa Fedha wa Intertec Afrika Limited kwa ajili ya Malawi, Tanzania na Msumbiji, pamoja na Mkurugenzi wa Fedha wa kanda wa SKF Sub-Sahara.

A dividend of 25% of net profit after tax is proposed and consequently the Board has recommended final dividend of Tzs 47 per share. This amounts to Tzs 3 billion.

Chairperson's Statement

As a major contributor to the Tanzanian economy, I am proud of the positive performance delivered by the employees of the Tanga Cement Company during 2011.

During the period under review the Company was well positioned to take advantage of the growth in cement demand in the region and was able to meet market requirements comfortably. Although slightly lower than the growth achieved in previous years, sales volumes and revenues increased in line with market demand.

The growth in sales revenue was, however, offset by a sharp increase in the cost of sales when compared to 2010. This was largely due to a major refurbishment of the plant, resulting in a higher than normal proportion of imported clinker being used in the manufacturing process during the first quarter of the year. This was further aggravated by a substantial increase in energy costs and by difficulties encountered due to the unreliable supply of electricity.

The depreciation of the shilling also impacted negatively on the Company's financial performance, as a significant proportion of costs are incurred in foreign currencies.

Although selling and administrative costs were below budget, the increased production costs resulted in a 17% reduction in the Company's earnings before interest, tax and depreciation compared to 2010.

Prospects
With the expected growth in demand for cement the outlook is very positive.

In anticipation of expected growth within the construction industry, the Tanga Cement Company has prepared itself to meet the increase in demand.

With its reputation for high quality and with an excellent distribution network in place, the Company's sales volumes are expected to increase at least in line with market growth.

Dividends
A dividend of 25% of net profit after tax is proposed and consequently the Board has recommended final dividend of Tzs 47 per share. This amounts to Tzs 3 billion.

Closure of Share Register
The Register of Members will close on 8 May 2012. The last day of trading cum dividend will be 30 April 2012. The dividend will be paid on or about 31 May 2012.

In conclusion
The positive outlook in the market presents Tanga Cement Company with many opportunities. The Company is well positioned to take full advantage of these by executing its misison of developing, producing and distributing high quality cement, related products and services in a sustainable manner to satisfy its customers' expectations.

We look forward to building on the many successes achieved in 2011.

Prof. Samuel Wangwe
Acting Chairperson

Gawio la asilimia 25 ya faida halisi baada ya kodi linapendekezwa na hivyo Bodi ya Wakurugenzi imependekeza gawio la mwisho wa shilingi 47 kwa kila hisa. Hii ni jumla ya shilingi bilioni 3.

Waraka wa Mwenyekiti

Kama mchangiaji mkubwa wa uchumi wa Tanzania, ninayo fahari ya utendaji chanya uliotolewa na wafanyakazi wa Kampuni ya Tanga Cement katika kipindi cha mwaka 2011.

Wakati wa kipindi hiki Kampuni ilikuwa kwenye nafasi nzuri ya kuchukua faida ya ukuaji wa mahitaji ya saruji katika kanda na iliweza kukidhi mahitaji ya soko bila usumbufu. Ingawa ukuwaji wa mafanikio ulikuwa chini kidogo ukilinganisha na mafanikio yaliyopatikana miaka ya nyuma, mauzo pamoja na mapato viliongezeka kulingana na mahitaji ya soko.

Ukuaji katika mapato ya mauzo ulikuwepo, hata hivyo, ulikabiliwa na kuongezeka kwa kasi kwa gharama ya mauzo ikilinganishwa na mwaka 2010. Hii kwa kiasi kikubwa ilitokana na ukarabati mkubwa wa mtambo, na kusababisha asilimia kubwa ya klinka kutoka nje kutumika katika mchakato wa uzalishaji katika robo ya kwanza ya mwaka. Hii ilichochewa kwa kiasi kikubwa na ongezeko kubwa la gharama za nishati na matatizo yaliyojitokeza kutokana na usambazaji usio wa uhakika wa umeme.

Kushuka kwa thamani ya shilingi pia kuliathiri utendaji wa Kampuni kifedha, hii ni kutokana na sehemu muhimu ya gharama zilizotumika zilikuwa katika fedha za kigeni.

Ingawa gharama za mauzo na undeshaji zilikuwa chini ya bajeti, kuongezeka kwa gharama za uzalishaji kulisababisha upungufu wa asilimia 17 katika mapato ya Kampuni kabla ya riba, kodi na uchakavu wa mitambo/samani ikilinganishwa na mwaka 2010.

Matarajio

Kutokana na matarajio ya ukuaji wa mahitaji ya saruji mtazamo unaonekana chanya.

Katika matarajio ya ukuaji ndani ya sekta ya ujenzi, Kampuni ya Tanga Cement imejiandaa ili kukidhi ongezeko la mahitaji.

Na kutokana na sifa yake ya ubora wa hali ya juu na mtandao bora wa usambazaji uliopo, mauzo ya kampuni yanategemewa kuongezeka angalau kuendana na ukuaji wa soko.

Gawio

Gawio la asilimia 25 ya faida halisi baada ya kodi linapendekezwa na hivyo Bodi ya Wakurugenzi imependekeza gawio la mwisho la shilingi 47 kwa kila hisa. Hii ni jumla ya shilingi bilioni 3.

Kufungwa kwa Daftari/Rejesta ya Hisa

Daftari la/ Rejesta ya wanahisa lita/itafungwa tarehe 8 Mei 2012. siku ya mwisho ya biashara na gawio itakuwa 30 Aprili 2012. Gawio la mwisho litalipwa tarehe au kufikia 31 Mei 2012.

Kwa kumalizia

Mtazamo chanya katika soko unatoa fursa nyingi kwa Kampuni ya Tanga Cement. Kampuni imejiweka katika nafasi nzuri ya kuchukua faida kamili kwa utekelezaji wa mikakati yake ya kuendeleza, kuzalisha na kusambaza saruji yenye ubora wa hali ya juu, na bidhaa nyinginezo zinazohusiana pamoja na huduma kwa njia endelevu ili kukidhi matarajio ya wateja wake.

Tumejipanga kuendeleza yale yaliyofanikiwa katika kipindi cha mwaka 2011.

Prof. Samuel Wangwe
Kaimu Mwenyekiti

Managing Director's Report12

The unreliable supply of electricity throughout the year forced the company to make extensive use of its own power generating capacity in order to safeguard production, again significantly increasing production costs.

Managing Director's Report

Sales

After a slow start during the first half of 2011 due to delayed government funding for various infrastructure projects, demand increased dramatically from August, resulting in healthy market growth for the full year. With its reputation for high quality and durability, Simba Cement increased sales in line with demand, achieving a revenue increase of over 8%.

Healthy growth was also evident elsewhere in the East African Community and, with Tanga Cement Company Limited now operating in both Burundi and Rwanda, export sales improved significantly compared to 2010.

Operations

The company had to suspend clinker production for the whole of January and most of February for a major kiln refurbishment. Consequently all cement manufactured during this period had to be made with imported clinker, thereby dramatically increasing the cost of production. Additionally, spare parts, maintenance experts and specialised equipment had to be brought in from abroad at significant cost.

The unreliable supply of electricity throughout the year forced the company to make extensive use of its own power generating capacity in order to safeguard production, again significantly increasing production costs. The continued deterioration of the railway network forced the company to rely increasingly on road transport for the distribution of its products rather than the more cost efficient railway.

Results

The operational challenges increased production and distribution costs substantially. Despite the company's selling and administrative expenses being kept below budget, the increased costs resulted in a reduction in earnings before interest, tax and depreciation of 17% compared to 2010.

Giving back to the community

In line with Tanga Cement Company's corporate social responsibility policy, the company sets aside 1% of its profit before tax for Tanzanian community development programs in the following focus areas:

- Health
- Education
- Sustainable Development
- Environment

In the field of education, the company donated computer equipment and instituted infrastructural improvement projects at several schools. To assist with challenges faced by the local community, for several years the company has been supporting Tanga Business Against Crime, a CTI Tanga outreach initiative with the objective of making the Tanga region a safer place to live and conduct business.

In recognition of the important role of sport and exercise in improving health, the company is involved in a number of initiatives to promote healthy living amongst employees and local communities. Close to home, the company operates a gym for employees at its Saruji Club in Tanga.

As one of the founding sponsors of the Kilimanjaro Marathon, Tanga Cement Company supported the event again in February, with almost sixty employees participating.

Tanga Cement Company is actively involved in a number of tennis initiatives, targeting young people who are passionate about the sport. The company, in partnership with the Tanzanian Tennis Association, sponsors various tennis tournaments, including the Simba Junior Tennis Camp which took place in August 2011.

In order to expose Tanzanian tennis players to international competition, the company is also the main sponsor of the Simba Cement International Tennis Tournament, held annually in Dar es Salaam. The tournament regularly attracts players from several countries in Central and East Africa.

In its role as the main supporter for the creation of a Tanzanian Davis Cup team, Tanga Cement Company organised a Pre-Davis Cup Camp in Tanga, where Tanzanian players were trained by an international tennis coach.

In terms of sustainable development, the company is supporting a project to produce bio-gas to be used for cooking and lighting in a rural community near Tanga.

Future Prospects

The positive market development experienced over the last decade, not only in Tanzania but in the entire region, is expected to continue in the foreseeable future.

With improved integration within the East African community, the region is moving closer to becoming a true common market. Reduced trade barriers between the different member states will greatly enhance the opportunities to do business across national borders in the coming years. This is likely to result in increased competition and possibly a consolidation of the regional cement industry. With the company's expansion plan now in its final stage, and with dedicated and experienced staff, Tanga Cement Company is well positioned to take advantage of this situation.

Sales into the surrounding countries increased considerably during 2011. Additional export opportunities are being aggressively pursued and are expected to yield significant results in the near future.

Clinker production is now running at full capacity and the company's cost structure is firmly under control. With Simba Cement's reputation for high quality and its excellent distribution network, sales volumes are expected to increase in line with, or above, the growth in demand.

Tanga Cement Company is looking forward to the future with confidence and expects to deliver substantially improved results in the coming years.

Erik Westerberg
Managing Director

Kutokana na kutopatikana kwa umeme wa uhakika kwa kipindi chote cha mwaka, Kampuni ililazimika kutumia vyanzo vyake binafsi vya umeme ili kuweza kulinda uzalishaji na hii ilisababisha pia kuongezeka kwa gharama za uzalishaji.

Taarifa ya Mkurugenzi Mtendaji

Mauzo
Baada ya kuanza polepole katika nusu ya kwanza ya mwaka 2011, kutokana na kuchelewa kwa mfuko wa serikali kwa ajili ya miradi mbalimbali ya miundombinu, mahitaji yaliongezeka kwa kasi kutoka Agosti, na kusababisha ukuaji wa soko kwa mwaka mzima. Kutokana na sifa yake ya ubora wa hali ya juu na uimara, Simba Cement iliongeza mauzo kulingana na mahitaji, kufikia kuongeza mapato kwa zaidi ya asilimia 8.

Ukuaji thabiti pia ulikuwa dhahiri kwingineko katika Jumuiya ya Afrika Mashariki, pamoja na Kampuni ya Tanga Cement sasa kufanya kazi katika nchi ya Burundi na Rwanda, mauzo ya nje yameboreshwa kwa kiasi kikubwa ikilinganishwa na mwaka 2010.

Utendaji
Kampuni ilibidi kusimamisha uzalishaji wa klinka kwa kipindi chote cha Januari na Februari kwa ajili ya ukarabati wa kinu cha uzalishaji. Hali hii ilisababisha saruji yote katika kipindi hiki kutengenezwa kwa kutumia klinka kutoka nje, na hivyo kusababisha kuongezeka kwa kasi gharama ya uzalishaji. Zaidi ya hayo, vipuri, wataalam wa ukarabati na vifaa maalumu ilibidi vinunuliwe kutoka nje na kuletwa kwa gharama kubwa.

Kutokana na kutopatikana kwa umeme wa uhakika kwa kipindi chote cha mwaka, Kampuni ililazimika kutumia vyanzo vyake binafsi vya umeme ili kuweza kulinda uzalishaji na hii ilisababisha pia kuongezeka kwa gharama za uzalishaji.

Kuendelea kuzorota kwa mtandao wa reli kulilazimisha kampuni kutegemea zaidi usafiri wa barabara kwa ajili ya usambazaji wa bidhaa zake ambao ni gharama zaidi badala ya kutumia reli.

Matokeo
Changamoto za uendeshaji zimesababisha kuongezeka kwa gharama za uzalishaji na usambazaji. Pamoja na gharama za mauzo na uendeshaji kuwekwa chini ya bajeti, ongezeko la gharama limesababisha kupungua kwa mapato kabla ya riba, kodi na uchakavu wa mitambo/samani kwa asilimia 17 ikilinganishwa na mwaka 2010.

Kusaidia jamii
Kwa mujibu wa sera ya Kampuni ya Tanga Cement ya uwajibikaji kwa jamii, Kampuni huweka kando asilimia 1 ya faida yake kabla ya kodi kwa ajili ya mipango ya maendeleo ya jamii ya Watanzania katika maeneo yafuatayo:

- Afya
- Elimu
- Maendeleo Endelevu
- Mazingira

Katika nyanja ya elimu, Kampuni ilichangia vifaa vya kompyuta na iliweka miradi ya kuboresha miundombinu katika shule kadhaa.
Kusaidia changamoto zinazoikabili jamii, kwa miaka kadhaa kampuni imekuwa ikisaidia Tanga Business Against Crime, juhudi inayofanywa kupitia CTI Tanga, lengo likiwa kuufanya mkoa wa Tanga kuwa mahali salama pa kuishi na kuendeshea biashara.

Kwa kutambua umuhimu wa michezo na mazoezi katika kuboresha afya, Kampuni inajihusisha na mipango kadhaa kuwafanya wafanyakazi wake na jamii inayowazunguka kuishi maisha ya afya njema. Karibu na nyumbani, Kampuni inaendesha eneo maalum kwa ajili ya mazoezi (gym) kwa ajili ya wafanyakazi wake katika Club ya Saruji Tanga.

Kama mmoja wa wadhamini waanzilishi wa Kilimanjaro Marathon, Kampuni ya Tanga Cement ilishiriki tena katika udhamini wa mbio hizo zilizofanyika Februari, ikiwa na wafanyakazi wanaokadiriwa kufikia sitini walioshiriki.

Kampuni ya Tanga Cement inashiriki kikamilifu katika mipango kadhaa ya mchezo wa tenisi, haswa ikiwalenga vijana wenye mapenzi na mchezo huu. Kampuni, kwa ushirikiano na Chama Cha Tenisi Tanzania, imeshadhamini mashindano mbalimbali ya tenisi ikiwa ni pamoja na kambi ya wacheza tenisi ya Simba Junior iliyofanyika Agosti 2011.

Ili kuwawezesha wacheza tenisi nchini kutambulika katika michuano ya kimataifa, Kampuni bado pia ni mdhamini mkuu wa michuano ya kimataifa ya tenisi ya Simba Cement, inayofanyika kila mwaka Dar es Salaam. Michuano hii mara nyingi inawavutia wacheza tenisi kutoka nchi mbalimbali za Afrika ya Kati na Mashariki.

Katika nafasi yake kama msaidizi mkuu katika kuundwa kwa timu ya Tanzania ya Davis Cup, Kampuni ya Tanga Cement iliandaa kambi maalum mjini Tanga kwa ajili ya maandalizi ya Davis Cup, ambapo wachezaji wa Kitanzania walipatiwa mafunzo na kocha wa kimataifa wa tenisi.

Katika suala la maendeleo endelevu, Kampuni inasaidia mradi wa kuzalisha gesi asilia ambayo itatumika kwa kupikia na kwa ajili ya kuleta mwanga maeneo ya vijijini karibu na Tanga.

Matarajio ya Baadaye
Maendeleo chanya ya soko kwa uzoefu wa zaidi ya muongo mmoja uliopita, ambayo si kwa Tanzania pekee bali katika kanda nzima, yanatarajiwa kuendelea hapo siku za usoni.

Kwa muungano ulioboreshwa ndani ya Jumuiya ya Afrika Mashariki, kanda inasogea karibu na kuwa soko la kweli la pamoja. Ikiwa imepunguza vikwazo vya biashara baina ya mataifa tofauti wanachama, itaongeza mwanya wa kufanya biashara kuvuka mipaka ya kitaifa katika miaka ijayo. Hii inategemewa kuleta matokeo ya kuongezeka kwa ushindani na uwezekano wa uimarishaji wa sekta ya saruji kikanda. Pamoja na mpango wa upanuzi wa Kampuni ukiwa umefikia hatua za ukingoni, na kukiwa na wafanyakazi wenye uzoefu na wanaofanya kazi kwa bidii, Kampuni ya Tanga Cement inajiweka katika nafasi nzuri ya kuendelea kukua.

Mauzo katika nchi zinazotuzunguka yameongezeka kwa kasi katika mwaka 2011. Fursa ya ziada ya kuuza bidhaa zetu nje inatumika vyema na inategemewa kuleta matokeo mazuri katika kipindi kijacho.

Uzalishaji klinka kwa sasa unafanya kazi kwa uwezo kamili na muundo wa gharama za Kampuni unaongozwa vizuri. Kutokana na sifa ambazo Saruji ya Simba imejizolea kwa ajili ya ubora wake wa hali ya juu na ubora wa mtandao madhubuti wa usambazaji, kiasi cha mauzo kinategemewa kuongezeka sambamba na, au zaidi, ya ukuaji wa mahitaji.

Kampuni ya Tanga Cement imejipanga vyema na kwa kujiamini kukabiliana na changamoto zitakazojitokeza hapo mbeleni na inatarajia kutoa matokeo bora katika miaka ijayo.

Erik Westerberg
Managing Director

Corporate Social Investments

Tanga Cement Company Limited has continued with its Corporate Social Investment program of investing in Tanzanian society by contributing one percent (1%) of its profits before tax. For the year 2011, the company contributed a total of Tzs341 million for various projects. The amount invested in 2011 represents a 38.7% increase over the previous year.

Areas where the company continues to invest are education, health, community development and the environment. The company is proud to see continued development of the projects that it has supported. Among the many areas supported in 2011 were:

Tanga Regional Business Fund Against Crime
Tanga Cement Company continued to support this initiative to help fight crime and make the Tanga region a safer place to live and do business. This is a CTI Tanga outreach initiative in collaboration with Tanga region police force.

Kapuya Secondary School
Tanga Cement Company built and furnished two classrooms and built toilets for this school at Kaliua in Urambo district, Tabora region. The company did this to improve the infrastructure problems that the school has been facing. Kapuya Secondary School was opened in 2010 and has a total of 244 students. The two furnished classrooms can seat 60 students.

Amani Centre
This centre is at Mvomero, in Morogoro region. It accommodates more than 100 children and youths with mental and physical disabilities. The Tanga Cement Company built and furnished a dining hall and a kitchen for the centre.

Katesh Secondary School
Tanga Cement Company built a girls' dormitory for 48 students at this school in Hanang district in Manyara region. The co-educational school was opened 2002, and has a total of 620 students. The company supports this school to encourage girls' education.

Friends of Serengeti
For a number of years, Tanga Cement Company has continued to support and work closely with the Friends of Serengeti, an NGO responsible for environmental conservation in the Serengeti National Park. In 2011, TCCL donated twenty-five tons of cement for environmental preservation in the Serengeti and Tarangire National Parks. The cement was used to repair a water catchment system and to maintain drift-crossing roads.

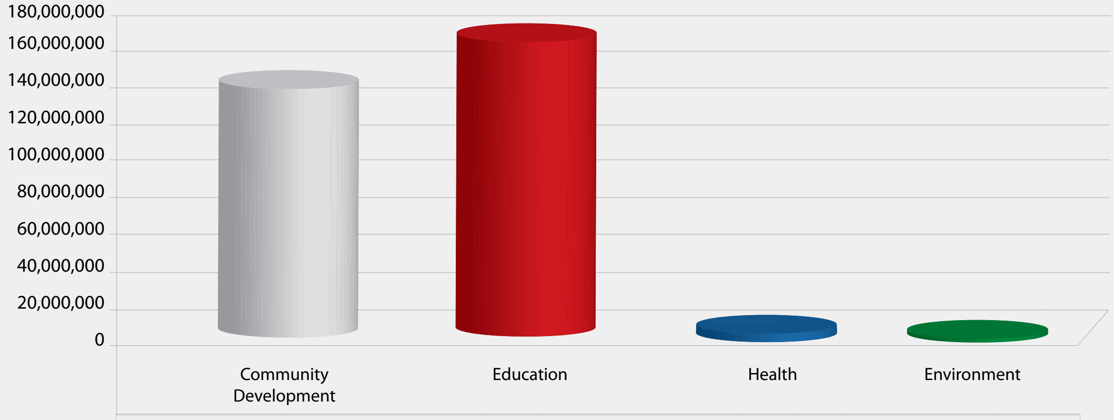
Tanga Regional Authority
Tanga Cement Company donated a total of six hundred and forty bags of cement for building biogas plants at Pingoni area in the Tanga region. The project involves youths engaged in farming activities and deals with environmental conservation as well as community development.

ABCT Tanga
In collaboration with ABCT Tanga region, Tanga Cement Company organised and conducted a five-day HIV/AIDS campaign. The campaign involved voluntary counseling and testing for people in the neighbouring areas of Pongwe and Kichangani.

Tanga Regional Road Safety Committee
In laying emphasis on road safety issues, Tanga Cement Company contributed a total of Tzs1 million for the Road Safety Week to the Tanga region's road safety committee.

Tanga District Commissioner's Office
Tanga Cement Company Limited contributed a total of Tzs1 million for Tanga region's community development projects to mark Tanzania's 50th independence anniversary.

CSI Spent per focus area in 2011



	Community Development	Education	Health	Environment
Tsz	146,093,304	176,726,755	13,894,900	4,059,322

Tzs / Focus Area

Uwekezaji wa Kijamii wa Kampuni

Kampuni ya Tanga Cement imeendelea na mpango wake wa Uwekezaji wa Kijamii katika kuiwezesha jamii ya Watanzania kwa kuchangia asilimia moja (1%) ya faida yake kabla ya kodi. Kwa mwaka 2011, Kampuni imechangia jumla ya shilingi milioni 341 kwa ajili ya miradi mbalimbali. Kiasi hiki kilichowekezwa mwaka 2011 kinawakilisha ongezeko la asilimia 38.7 la mwaka uliopita.

Maeneo ambayo Kampuni inaendelea kuwekeza ni katika elimu, afya, maendeleo ya jamii na mazingira. Kampuni inayo fahari kuona maendeleo ya miradi iliyoisaidia. Miongoni mwa maeneo mengi yaliyosaidiwa katika mwaka 2011 yalikuwa:

Tanga Region Business Fund Against Crime
Kampuni ya Tanga Cement iliendelea kusaidia mpango huu wa kusaidia kupambana na uhalifu kwaajili ya kufanya mkoa wa Tanga mahali salama kuishi na kufanya biashara. Jitihada hii ni kwa kushirikiana na CTI Tanga pamoja na kikosi cha polisi mkoa wa Tanga.

Shule ya Sekondari Kapuya
Kampuni ya Tanga Cement imejenga na kuweka samani vyumba viwili vya madarasa na kujenga vyoo kwa ajili ya shule hii iliyopo Kaliua katika wilaya ya Urambo, mkoa wa Tabora. Kampuni ilifanya hivyo kutatua matatizo ya miundombinu ambayo yamekuwa yakiikabili shule. Shule ya Sekondari Kapuya ilifunguliwa mwaka 2010 na ina jumla ya wanafunzi 244. Madarasa haya mawili yanauwezo wa kuchukua wanafunzi sitini (60).

Amani Centre
Kituo hiki kipo Mvomero, mkoani Morogoro. Kinauwezo wa kuchukua watoto na vijana zaidi ya mia moja (100) wenye ulemavu wa akili na kimaumbile. Kampuni ya Tanga Cement imejenga na kuweka samani bwalo la chakula na jiko kwa ajili ya matumizi ya kituo hicho.

Shule ya Sekondari Katesh
Kampuni ya Tanga Cement imejenga bweni la wasichana lenye uwezo wa kuchukua wanafunzi arobaini na nane (48) katika shule hiyo iliyopo wilaya ya Hanang, mkoa wa Manyara. Shule hii ya mchanganyiko (wasichana na wavulana) ilifunguliwa mwaka 2002 na ina jumla ya wanafunzi Mia sita ishirini (620). Kampuni imefadhili shule hii kwa lengo la kuhamasisha elimu kwa wasichana.

Friends of Serengeti
Kwa miaka kadhaa, Kampuni ya Tanga Cement imeendelea kusaidia na kufanya kazi kwa karibu na Friends of Serengeti – AZISE, inayojishughulisha na utunzaji wa mazingira kwenye Hifadhi ya Taifa ya Serengeti. Mwaka 2011, Kampani ya Tanga Cement ilichangia Tani Ishirini na tano(25) za saruji kwa ajili ya utunzaji wa mazingira katika Hifadhi za Taifa za Serengeti na Tarangire. Saruji hii ilitumika kukarabati mifumo na makimbilio ya maji na kudumisha makatizo ya barabara kwenye maeneo ya maji.

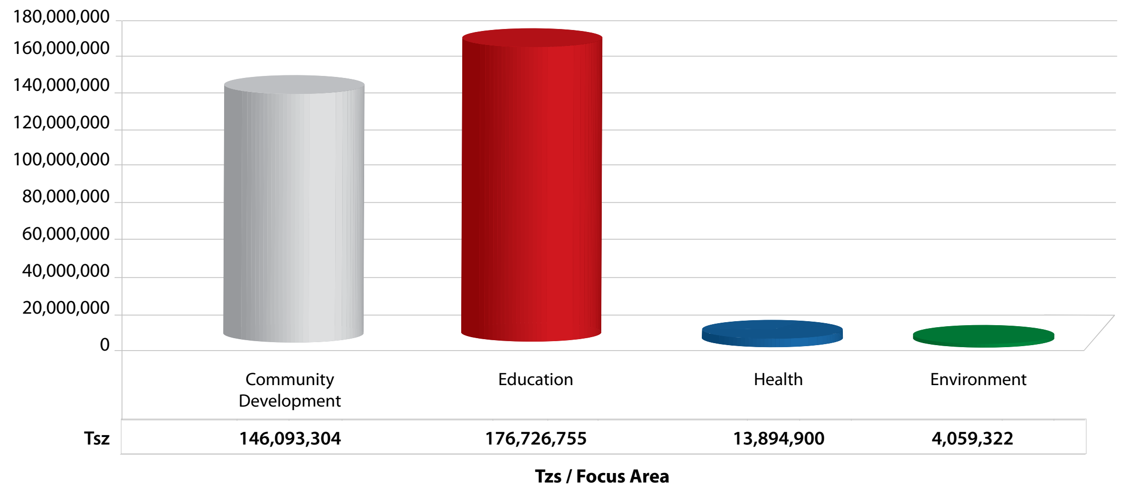
Mamlaka ya Mkoa wa Tanga
Kampuni ya Tanga Cement ilichangia jumla ya mifuko Mia Sita Arobaini(640) ya saruji kwa ajili ya ujenzi wa mitambo ya Biogas katika eneo la Pingoni katika mkoa wa Tanga. Mradi huo unahusisha vijana wanaofanya shughuli za kilimo na ufugaji pamoja na uhifadhi wa mazingira pia maendeleo ya jamii.

ABCT Tanga
Kwa kushirikiana na Aids Business Coalison Tanzania mkoa wa Tanga, Kampuni ya Tanga Cement iliandaa na kuendesha kampeni ya siku tano(5) ya VVU/UKIMWI. Kampeni ilihusisha unasihishaji na upimaji kwa hiari kwa watu wanaoishi maeneo jirani ya Pongwe na Kichangani.

Kamati ya Usalama Barabarani ya Mkoa wa Tanga
Katika kuweka msisitizo juu ya masuala ya Usalama Barabarani, Kampuni ya Tanga Cement imechangia jumla ya shilingi milioni moja(mil1) kwa ajili ya Wiki ya Usalama Barabarani kwa kamati ya usalama barabarani mkoa wa Tanga.

Ofisi ya mkuu wa wilaya Tanga
Kampuni ya Tanga Cement imechangia jumla ya shilingi milioni moja(mil. 1) kwa ajili ya miradi ya maendeleo ya jamii mkoa wa Tanga katika maadhimisho ya miaka 50 ya uhuru wa Tanzania.

Matumizi ya CSI kwa maeneo muhimu kwa mwaka 2011



Teak plantation on open land adjacent to the factory

Upandaji wa mitiki sehemu ya wazi inayopakana na Kiwanda

Environment

- Emissions of all the critical gases, namely Particulates, NOx, and SO2 were all well below target, comfortably meeting the country's legal emissions limits.
- The ISO 14001 program, initiated on-site in 2004, was sustained through internal and external EMS audits, maintaining certification for a seventh year.
- The pace of our environmental initiatives was maintained, with concurrent rehabilitation of all our raw material quarries, both on-site and off-site, satisfying legal requirements and enhancing the greening campaign. An additional 3,500 teak trees planted in an open area near the factory at the end of 2010 and a further 2,500 trees of various other species planted in 2011 on the property's borders have all thrived, transforming the landscape.

These initiatives are consistent with the Tanga Cement Company's Environmental Policy, detailed on the next page, whose salient features include compliance with legislation, prevention of pollution, rehabilitation of quarries and continual environmental improvement.

Environmental compliance is a responsibility shared by all employees, our contractors and stake-holders, all of whom share the credit for the achievements to date.

It remains our motto that
"Our actions today that will mould the future".

Mazingira

- Uzalishaji wa gesi zote , yaani Particulates, Nox, na SO2 wote ulikuwa chini ya lengo, bila matatizo kufikia utoaji gesi ulioweka na nchi kisheria.
- Mpango wa ISO 14001, ulioanzishwa kiwandani mwaka 2004, uliendelezwa kwa njia ya ukaguzi wa ndani na nje wa EMS, kudumisha uthibitisho kwa mwaka wa saba.
- Sambamba na mipango yetu ya mazingira tuliyoianzisha iliimarishwa, pamoja na ukarabati wenza wa machimbo yetu yote ya malighafi, vyote viwili kiwandani na nje ya kiwanda, tukifikia mahitaji ya kisheria na tukiimarisha kampeni kijani. Ziada ya mitiki 3,500 ilipandwa katika eneo la wazi karibu na kiwanda mwishoni mwa mwaka 2010 na zaidi ya miti 2500 ya aina mbalimbali iliyopandwa kwenye mipaka ya yetu yote ilistawi, kubadilisha mazingira.

Mipango hii inaendana na sera ya Kampuni ya Tanga Cement ya Mazingira, inavyoeleza ukurasa unaofuata, ambapo sifa zake muhimu ni pamoja na kufuata sheria, kuzuia uchafuzi wa mazingira, ukarabati wa machimbo na uendelezaji wa uboreshaji mazingira.

Utekelezaji wa utunzaji wa mazingira ni wajibu wa pamoja kwa wafanyakazi wote, makandarasi wetu na wadau, ambao wote tunashirikiana sifa njema inayotokana na mafanikio tuliyotapata hadi sasa.

Bado kauli mbiu yetu inabaki kwamba
"Matendo yetu leo ndiyo yatakayojenga Mustakabali wa Maisha yetu yajayo".

Part of the rehabilitated Pozollana quarry at Holili in Rombo District

Sehemu ya machimbo ya ukarabati Pozzolana katika machimbo ya Holili katika Wilaya ya Rombo

Environmental Policy

Our actions today mould the future

Policy

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

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

Strategic Objectives

Tanga Cement Company Management is committed to:

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

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

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

SIMBA CEMENT

Production processes are periodically reviewed to improve efficiency, while keeping in mind the lowest possible impact on the environment.

Quality

Since 1980, through our quality products, Simba Cement has been making a significant contribution to a variety of infrastructural development in East Africa. These cement products are manufactured in a carefully controlled process, monitored by a team of dedicated professionals. Our products' performance is also monitored by modern laboratory test equipment, such as the X-ray fluorescence spectrometer, which provides quick results to allow immediate process intervention for minor deviations that may occur. This allows us to maintain quality and consistency in our products.

Production processes are periodically reviewed to improve efficiency, while keeping in mind the lowest possible impact on the environment.

Tanga Cement Company Limited has been ISO 9001 (Quality Management System) Certified since August 2000. The current certificate is number TZ09/2009 (ISO 9001:2008 edition).

Our products
Simba Cement products are produced in accordance with Tanzania Cement Standard TZS 721-1:2002 which is equivalent to East African standard for cement EAS 18-1:2001 and European Standard for cement EN 197-1:2000.

We currently produce two types of cement for different applications:

CEM II/B-L, 42.5N [SIMBA BORA]
CEM II/B-L 42,5 N is Portland composite cement with limestone additive. It is a high strength class cement and can be used in applications such as:

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

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

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

Ubora

Tangu mwaka 1980, kupitia bidhaa zetu zenye ubora, Saruji ya Simba imekuwa ikitoa mchango muhimu kwa maendeleo mbali mbali ya miundombinu ya Afrika Mashariki. Bidhaa hizi za saruji zinazalishwa kwa mchakato makini uliodhibitiwa, kufuatiliwa kwa dhati na timu ya wataalamu. Utendaji wa bidhaa zetu pia unafuatiliwa na vifaa vya kisasa vya maabara vya majaribio, kama vile X-ray fluorescence spectrometer, ambayo inatoa matokeo ya haraka haraka ili kuruhusu mchakato wa kuingilia kati kwa hitilafu ndogo ambayo inaweza kutokea. Hii inaturuhusu kudumisha ubora na uthabiti wa bidhaa zetu.

Michakato ya uzalishaji inapitiwa mara kwa mara ili kuboresha ufanisi, huku ikizingatiwa uwezekano mdogo wa athari kwa mazingira.

Kampuni ya Tanga Cement imekuwa ISO 9001 (Mfumo wa usimamizi wa ubora) na kuthibitishwa tangu Agosti 2000. Cheti cha sasa ni namba TZ09/2009 (toleo ISO 9001:2008).

Bidhaa Zetu
Bidhaa za Saruji ya Simba zinazalishwa kwa mujibu wa Kiwango cha saruji ya Tanzania, TZS 721-1:2002 ambacho ni sawa na kiwango cha Afrika Mashariki, EAS 18-1:2001 na kiwango cha saruji cha Ulaya, EN 197-1:2000.

Kwa sasa tunazalisha aina mbili za saruji kwa ajili ya matumizi mbalimbali:

CEM II / B-L, 42.5N [SIMBA BORA]
CEM II / BL 42,5 N ni saruji yenye mchanganyiko wa Portland na viungo vya mawe ya chokaa. Ni saruji ya kiwango cha juu cha uimara na inaweza kutumika kwa matumizi kama vile:

- Majengo, majengo ya kumimina na yasiyo ya kumimina
- Zege lililoimarishwa kwaajili ya msingi, nguzo, mhimili, mabamba, chanja, mikanda, kuta zinazobeba jingo nk.
- Vitu vilivyotengenezwa kabla kwa kutumia zege la kawaida na lililoimarishwa, vinavyotumiwa kwa ukarabati na matengenezo katika ujenzi wa majengo ya kawaida na viwandani, kujazia, kupiga lipu n.k.
- Fito maalum za kupaka rangi kwenye sakafu na mchanganyika wa saruji na mchanga (mota).

CEM IV / B 32,5 R [SIMBA IMARA]
CEM IV / B 32,5 R ni saruji yenye mchanganyiko wa Portland yenye viungo vya pozzolana na mawe ya chokaa. Ni saruji yenye uimara wa kawaida, ni saruji kwaajili ya matumizi yote, inafaa zaidi kwa matumizi kama vilie:

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

Quality Policy

Our actions today mould the future

Policy

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

Objectives

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

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

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

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

Value Added Statement

for the year ended 31 December 2011

	2011 Tzs '000'	%	2010 Tzs '000'	%
Value Added				
Gross Turnover	161,435,718		149,181,278	
Other Income	120,390		244,248	
Other operating expenditure	(106,550,094)		(85,883,739)	
	55,006,014	**100**	**63,541,787**	**100**
Revenue				
To Employees	13,942,880	25.3	12,550,227	19.8
To Government-Corporate Income Tax	13,519,747	24.6	12,501,851	19.7
To Shareholders-Dividend	13,082,835	23.8	16,490,801	26.0
To Lending Institutions	613,577	1.1	806,180	1.3
To Expansion and Growth				
- Depreciation	5,001,140	9.1	5,489,312	8.6
- Retained Income	8,845,835	16.1	15,703,416	24.7
	55,006,014	**100**	**63,541,787**	**100**

Taarifa ya Thamani Iliyoongezwa

Kwa mwaka ulioisha tarehe 31 Desemba 2011

	2011 Tzs '000'	%	2010 Tzs '000'	%
Thamani iliyoongezwa				
Pato Ghafi	161,435,718		149,181,278	
Kipato Tofauti	120,390		244,248	
Matumizi mengine ya uendeshaji	(106,550,094)		(85,883,739)	
	55,006,014	**100**	**63,541,787**	**100**
Mapato				
Kwa Wafanyakazi	13,942,880	25.3	12,550,227	19.8
Kwa Serikali - Kodi ya mapato ya Kampuni	13,519,747	24.6	12,501,851	19.7
Gawio kwa Wanahisa	13,082,835	23.8	16,490,801	26.0
Kwa Taasisi za Ukopeshaji	613,577	1.1	806,180	1.3
kwa Upanuzi na Kukua				
- Uchakavu	5,001,140	9.1	5,489,312	8.6
- Mapato yaliyobakizwa	8,845,835	16.1	15,703,416	24.7
	55,006,014	**100**	**63,541,787**	**100**

SIMBA CEMENT
Building Tanzania

Annual Report 2011

GENERAL INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Tanga Cement Company Limited
Pongwe Factory Area
P O Box 5053
Tanga

COMPANY SECRETARY
Mr. David Lee
Tanga Cement Company Limited
Pongwe Factory Area
P O Box 5053
Tanga

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

LEGAL ADVISORS
Rex Attorneys
Rex House, 145 Magore Street, Upanga
P O Box 7495
Dar es salaam

TAX ADVISORS
PricewaterhouseCoopers
International House
P O Box 45
Dar es salaam

MAIN BANKERS
NBC Tanzania Limited
P O Box 5031
Tanga

Citibank Tanzania Limited
P O Box 71625
Dar es salaam

Standard Chartered Bank Tanzania Limited
P O Box 9011
Dar es salaam

Stanbic Bank Tanzania Limited
P O Box 72647
Dar es salaam

To develop, produce and distribute consistently high quality cement and related products and services in a sustainable manner to satisfy our customers' expectations.

Report of the Director

The Directors present their report and the audited consolidated financial statements for the financial year ended 31 December 2011 which disclose the state of affairs of Tanga Cement Company Limited (the Company) and its subsidiary, Cement Distributors (EA) Limited (together, the Group).

1. INCORPORATION

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

2. COMPANY'S VISION

To be Eastern Africa's favourite cement.

3. COMPANY 'S MISSION

To develop, produce and distribute consistently high quality cement and related products and services in a sustainable manner to satisfy our customers' expectations.

4. PRINCIPAL ACTIVITIES

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

5. COMPOSITION OF THE BOARD OF DIRECTORS

The Directors of the Company at the date of this report and who have served since January 2011:

Name	Position	Age	Nationality
Mr M. Lekota	Chairperson (Appointed 27 May 2011 Resigned 23 December 2011)	54	South Africa
Mr C. Naude	Chairperson (Resigned 27 May 2011)	54	South African
Mr E. Westerberg	Managing Director	59	Swedish
Mr D. Matshoba	Director (Appointed 27 May 2011)	47	South Africa
Dr S. Olivier	Director	52	South African
Mr C. Kariwa	Director	51	Tanzanian
Mr K. Omar	Director	47	Tanzanian
Ms K. Simba	Director (Appointed 27 May 2011)	66	Tanzanian
Prof S. Wangwe	Director	63	Tanzanian

With the exception of Mr E. Westerberg the Managing Director, all other Directors were non-executive.

The Company Secretary during the year ended 31 December 2011 was Mr D. Lee. British 55 years.

6. CORPORATE GOVERNANCE

Code of Corporate Practice and Conduct

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

The Board of Directors

The Board of Tanga Cement Company Limited consists of seven Directors. Apart from the Managing Director, no other Directors hold executive positions in the Group. The Board takes overall responsibility for the Group, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters and reviewing the performance of management against budgets and business plans. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles.

The Board is chaired by a Director who has no executive functions. The roles of Chairman and Managing Director are separate, with each having set responsibilities.

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

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

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

Performance evaluation and reward

Details of the remuneration of Directors are disclosed in Note 12 to the consolidated financial statements. The Company utilises the results of market surveys to ensure market related salaries are paid and that market related trends are followed in terms of changes in benefits, while at the same time taking into account the intrinsic value of individual contributions. A portion of the remuneration of all managerial staff, especially senior management, is linked to the performance of their respective business units and of the Company as a whole.

Risk management and internal control

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

The effectiveness and efficiency of operations:

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

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

The Board assessed the internal control systems throughout the financial year ended 31 December 2011 and is of the opinion that they met acceptable criteria.

Ethical behaviour

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

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

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

Business ethics and organisational integrity

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

Financial reporting and auditing

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

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

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

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

The Directors are satisfied that during the year under review:

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

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

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

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

Audit Committee

Name	Nationality	Qualification
1. Prof. S. M. Wangwe (Chairman)	Tanzanian	PhD (Economics), BA (Economics)
2. Mr D. Matshoba	South African	Bcom, ACCA

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

Risk Committee

1. Mr C. K. Kariwa (Chairperson)	Tanzanian	LLB
2. Mr E. Westerberg	Swedish	Mechanical Engineer
3. Mr K. Omar	Tanzanian	Msc (Development Studies) PGD (Business Administration), Advanced Diploma (Tax Management)

The Risk Committee reports to Board of Directors and met twice during the year.

Remuneration Committee

1. Mrs K. Simba (Chairperson)	Tanzanian	Enterprenuer
2. Prof. S. M. Wangwe	Tanzanian	Ph.D Economics, BA Economics
3. Dr S. Olivier	South African	Ph.D Bio Chemistry

The Remuneration Committee reports to Board of Directors and met twice during the year

7. CAPITAL STRUCTURE

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

Authorised, called up and fully paid
63,671,045 Ordinary shares of Tzs 20 each (2010: 63,671,045 ordinary shares)

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

- Finance;
- Plant Management;
- Sales and Marketing;
- Occupation Health, Safety and Environment;
- Human Resources and Administration;
- Projects.

9. KEY MANAGEMENT PERSONNEL OF THE COMPANY

The key management personnel who served the Company during the year ended 31 December 2011 were:

Mr E. Westerberg	Managing Director
Mr B. Lema	Plant Manager
Mr D. Lee	Chief Financial Officer
Mr O. Kitomari	Occupational Health, Safety & Environment Manager
Mr D. Nordlander	Head of Strategic Planning and Marketing
Mr A. Osman	Project Manager
Mrs E. Sempeho	Human Resources Manager

10. SHAREHOLDERS OF THE COMPANY

The top ten shareholders at 31 December 2011 were:

AfriSam (Mauritius) Investment Limited	62.5%
Public Service Pension Fund	7.15%
National Social Security Fund	6.52%
Social Action Trust Fund	1.79%
The Registered Trustees of Tanga Cement Company Limited Employees Scheme	1.10%
Sajjad F. Rajabali	0.58%
Aunali F. Rajabali	0.53%
Government Employees Provident Fund	0.35%
The Local Authorities Pensions Fund	0.35%
BP Tanzania Provident Trust Limited	0.32%

Member summary as at 31 December 2011:

	Number of Members	Number of Shares
1-1,000	9,478	3,190,376
1,001-5,000	1,345	3,771,591
5,001-10,000	392	2,398,635
10,000 plus	112	14,516,040
AfriSam (Mauritius) Investment Limited	1	39,794,403
Total	**11,328**	**63,671,045**

Directors holding shares in the Company are listed below:

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

11. DIRECTORS' REMUNERATION

The remuneration for services rendered by the Directors of the Company in 2011 was as follows:

	Amount in Tzs
Chairperson of the Board of Directors 1	17,665,053
Other Directors	91,866,630

During the year under review, Executive Directors' remuneration was Tzs 484 million (2010: Tzs 464 million).

12. STOCK EXCHANGE INFORMATION

On 26 September 2002 the Company went public and its shares started to trade at the Dar es Salaam Stock Exchange. During the year, shares of the Company were continuously traded in the secondary market through auctions organised by Dar es Salaam Stock Exchange (DSE). In the year 2011 the performance of the Company's shares in the secondary market was as follows: Market capitalization as at 31 December 2011 was Tzs 151,537 million (2010: Tzs 120,970 million). Total turnover of the Company's shares at the DSE was Tzs 970,822,000 (2010: Tzs 719,584,080). The average price of Company shares was Tzs 2,127 per share (2010: Tzs 1,829) and the prevailing share price as at 31 December 2011 was Tzs 2,380 per share (IPO price Tzs 360 per share).

13. FUTURE DEVELOPMENT PLANS

The positive market development is expected to continue during the coming years and TCCL expects to increase sales volumes at least in line with market growth.

With the plant operating at full capacity and with production costs and overhead expenses kept at a minimum, the company expects to show an improvement in its financial results

14. RESULTS AND DIVIDEND

The directors declared an interim dividend of Tzs 39 per share during the year. The Board proposes a final dividend of Tzs 47 per share, giving a total dividend of Tzs 86 per share for the year (2010: Tzs 247 per share).

15. PERFORMANCE FOR THE YEAR

Demand for cement in Tanzania continued to grow during the year. The company increased sales in line with the market growth, resulting in an 8.2% rise in revenue.

The use of expensive imported clinker increased dramatically due to major refurbishment work in the plant at the beginning of the year. Combined with the negative effects of the depreciation of the Tanzanian Shilling and the poor power supply, this resulted in a significant increase in the overall production costs. Although selling and administration expenses were reduced to below budgeted levels, the overall financial results fell below last year's level.

The detailed financial performance of the Company during the year is set out on page 17 of these consolidated financial statements.

Key Performance Indicators

Key performance indicators, both financial and non-financial, are used by the directors in assessing the Company's progress towards its objectives. These indicators are financial budgets, production targets, improved cost management, sustainable environmental performance, marketing innovation, human resources excellence and the corporate social responsibility program.

Financial results

Further in the course of its operations, the Company made a total comprehensive income of Tzs 21,928 million. (2010: Tzs 32,194 million). The Company's profit decreased from Tzs 32 billion to Tzs 22 billion. The decrease was mainly attributed by major shut down that led to using expensive imported clinker. Other income increased to Tzs 1,800million (2010: Tzs 171 million) which is attributed to dividend received from Subsidiary amounting million.

Operating expenses increased to Tzs 15,586 million (2010: Tzs 14,424 million).The increase was attributed to personnel expenses.

Financial Position

The financial position of the Company is as set out in the statement of financial position shown on page 18. During the year net assets of the Company increased by Tzs 9,006 million. This was mainly attributed by increase in retained earnings during the year.

16. RESOURCES

Apart from those items that are reflected in the statement of financial position, the company has key strengths and resources, both tangible and intangible, which can assist the business in pursuit of its objectives. These resources are: high quality proven limestone reserves, the strong brand of Simba Cement, competent management , committed and skilled personnel and a strong distribution channel.

17. SOLVENCY

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

18. ACCOUNTING POLICIES

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

The Company's accounting policies, which are laid out on pages 21 to 39, are subject to an annual review to ensure continuing compliance with International Financial Reporting Standards.

19. ACQUISITIONS AND DISPOSALS

There were no acquisitions during the year (2010: 40% additional share capital of Cement Distributors (EA) Limited) . There were no material disposals of business during the year 2011 (2010: Nil).

20. INVESTMENTS

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

21. EMPLOYEES' WELFARE

Management and Employees' Relationship

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

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

Training Facilities

During the year, the Company spent a sum of Tzs 232 million for staff training in order to improve employees technical skills and effectiveness (2010: Tzs 197 Million). Programs have been and continue to be developed to ensure that employees are adequately trained at all levels.

Medical Scheme

All employees and up to four dependants are covered under the Company's Medical Scheme.

Health and Safety

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

Financial Assistance to Staff

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

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

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

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

The average number of employees during the year was 291 (2010: 293).

22. GENDER PARITY
The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which do not impair ability to discharge duties. The Company had 291 (2010: 293) employees, of which 29 were female and 262 were male (2010: 30 female and 263 male).

23. RELATED PARTY TRANSACTIONS
All related party transactions and balances are disclosed in Note 34 to these consolidated financial statements. The directors' emoluments have been disclosed in Note 12 to the consolidated financial statements

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

25. ENVIRONMENTAL CONTROL PROGRAMME
The Company has a formal environment control accreditation program, with all operations following the ISO 14001:2004 standard.

26. QUALITY
The Company has a formal quality assurance accreditation program, with all operations following the ISO 9001:2008 standard.

27. CORPORATE SOCIAL INVESTMENT
During the year Tanga Cement Company Limited continued to support Tanzanian society through its Corporate Social Responsibility program. The areas that have been supported are community development, education, health and the environment. The Company has continued to support Tanga Business Against Crime to help fight crime. During the year the Company contributed Tzs 341 million (2010: Tzs 221 million) towards various corporate social investment initiatives.

28. CONTRIBUTION AND SUBSCRIPTIONS
The Company paid subscriptions and made contributions to various organisations during the year, including the Dar es Salaam stock exchange Tzs 10 million, other Professional Associations and Charities. Such payments amounted to TZS 73 million (2010: TZS 110 million).

29. SECRETARY TO THE BOARD
The Secretary to the Board is responsible for advising the Board on legal and corporate governance matters and, in conjunction with the Chairman, for ensuring the efficient flow of information between the Board, its Committees and Management. All members of the Board and Management have access to his legal advice and services.

30. COMPLIANCE TO LAWS AND REGULATIONS
During the year ended 31 December 2011 there were no serious prejudicial matters to report as required by Tanzania Financial Reporting Standard No. 1 (Directors' Report).

31. STATEMENT OF COMPLIANCE
The director's report has been prepared in full compliance with Tanzania Financial Reporting Standard No. 1 (Directors Report) and constitute an integral part of consolidated financial statements.

32. AUDITORS
The auditors, Ernst & Young, have expressed their willingness to continue in office as auditors and are eligible for reappointment. A resolution proposing the re-appointment of Ernst & Young as auditors of the Company for the year 2012 will be tabled at the Annual General Meeting.

BY ORDER OF THE BOARD

Prof. Samuel Wangwe
Acting Chairperson
16 April 2012

Erik Westerberg
Managing Director
16 April 2012

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

Statement of Directors Responsibilities

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

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

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

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

Prof. Samuel Wangwe
Acting Chairperson
16 April 2012

Erik Westerberg
Managing Director
16 April 2012

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Independent Auditor's Report

We have audited the accompanying consolidated financial statements of **Tanga Cement Company Limited (the Company)** and its subsidiary, **Cement Distributors (EA) Limited** (together, the Group), which comprise the consolidated statement of financial position as at 31 December 2011 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 17 to 63.

Directors' responsibilities for the consolidated financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and Group as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Tanzanian Companies Act, 2002.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Tanzanian Companies Act, 2002 and for no other purposes.

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

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

Ernst & Young
Certified Public Accountants
Dar es Salaam

Signed by:
Joseph Sheffu
Date: 30 March 2012

Consolidated Statement Of Comprehensive Income

for the year ended 31 December 2011

	Notes	Company 2011 Tzs' 000	Group 2011 Tzs' 000	Company 2010 Tzs' 000	Group 2010 Tzs' 000
Revenue	6	161,435,718	233,863,262	149,181,278	199,428,259
Cost of sales	7	(109,400,977)	(170,126,923)	(89,465,874)	(131,843,967)
Gross profit		52,034,741	63,736,339	59,715,404	67,584,292
Other income	9	1,800,390	178,049	895,248	251,579
Other expenses	9(b)	-	-	(25,628)	-
Selling expenses	10	(1,819,970)	(1,819,970)	(1,939,858)	(1,939,858)
Administration expenses	11	(8,765,620)	(16,872,110)	(6,995,412)	(12,823,099)
Depreciation and amortisation	19	(5,001,140)	(5,353,534)	(5,489,312)	(5,698,387)
Operating profits	12	38,248,401	39,868,774	46,160,442	47,374,527
Finance costs	13	(613,577)	(741,001)	(806,180)	(880,586)
Finance income	14	52,438	52,438	78,445	78,445
Gain in fair value of pre-acquisition shares	22	-	-	698,681	698,681
Foreign exchange losses	15	(2,238,845)	(2,095,013)	(1,450,858)	(1,227,762)
Share of profit of associates	16	-	-	146,709	146,709
Impairment on an associate	22	-	-	(131,171)	(131,171)
Profit before tax		35,448,417	37,085,198	44,696,068	46,058,843
Income tax expense	17	(13,519,747)	(14,794,279)	(12,501,850)	(13,485,040)
Profit for the year		**21,928,670**	**22,290,919**	**32,194,218**	**32,573,803**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**21,928,670**	**22,290,919**	**32,194,218**	**32,573,803**
Profit for the period attributable to:					
Owners of the parent		21,928,670	21,265,038	32,194,218	31,681,935
Non-controlling interests		-	1,025,881	-	891,868
		21,928,670	**22,290,919**	**32,194,218**	**32,573,803**
Total comprehensive income attributable to:					
Owners of the parent		21,928,670	21,265,038	32,194,218	31,681,935
Non-controlling interests		-	1,025,881	-	891,868
		21,928,670	**22,290,919**	**32,194,218**	**32,573,803**
Basic earnings per share (Tzs)	18(a)	**344**	**350**	**506**	**522**
Diluted earnings per share (Tzs)	18(b)	**344**	**350**	**506**	**522**

Taarifa Ya Mapato

Kwa mwaka ulioisha tarehe 31 Desemba 2011

	Notes	Company 2011 Tzs' 000	Group 2011 Tzs' 000	Company 2010 Tzs' 000	Group 2010 Tzs' 000
Mapato	6	161,435,718	233,863,262	149,181,278	199,428,259
Gharama za mauzo	7	(109,400,977)	(170,126,923)	(89,465,874)	(131,843,967)
Faida Ghafi		52,034,741	63,736,339	59,715,404	67,584,292
Gharama nyingine za uendeshaji	9	1,800,390	178,049	895,248	251,579
Gharama nyingine	9(b)	-	-	(25,628)	-
Gharama za uuzaji	10	(1,819,970)	(1,819,970)	(1,939,858)	(1,939,858)
Gharama za utawala	11	(8,765,620)	(16,872,110)	(6,995,412)	(12,823,099)
Uchakavu	19	(5,001,140)	(5,353,534)	(5,489,312)	(5,698,387)
Faida ya Uendeshaji	12	38,248,401	39,868,774	46,160,442	47,374,527
Gharama za Fedha	13	(613,577)	(741,001)	(806,180)	(880,586)
Mapato ya Fedha	14	52,438	52,438	78,445	78,445
Mapato katika thamani ya hali ya hisa zilizotwaliwa kabla	22	-	-	698,681	698,681
Hasara ya Fedha za Kigeni	15	(2,238,845)	(2,095,013)	(1,450,858)	(1,227,762)
Hisa ya Faida ya Wenza	16	-	-	146,709	146,709
Udhoofikaji wa Mshirika	22	-	-	(131,171)	(131,171)
Faida kabla ya Kodi		**35,448,417**	**37,085,198**	**44,696,068**	**46,058,843**
Income tax expense	17	(13,519,747)	(14,794,279)	(12,501,850)	(13,485,040)
Faida kwa Mwaka		**21,928,670**	**22,290,919**	**32,194,218**	**32,573,803**
Pato kuu jingine		-	-	-	-
Jumla ya pato kuu kwa mwaka		**21,928,670**	**22,290,919**	**32,194,218**	**32,573,803**
Faida kwa kipindi kilichoidhinishwa kwa:					
Wamiliki wa Kampuni mama		21,928,670	21,265,038	32,194,218	31,681,935
Riba isiyodhibitiwa		-	1,025,881	-	891,868
		21,928,670	**22,290,919**	**32,194,218**	**32,573,803**
jumla ya Mapato yaliyoidhinishwa kwa:					
Wamiliki wa Kampuni mama		21,928,670	21,265,038	32,194,218	31,681,935
Wamiliki wa Kampuni mama		-	1,025,881	-	891,868
		21,928,670	**22,290,919**	**32,194,218**	**32,573,803**
Mapato ya msingi kwa hisa (Tzs)	18(a)	**344**	**350**	**506**	**522**
Mapato yaliyopunguzwa kwa hisa (Tzs)	18(b)	**344**	**350**	**506**	**522**

Consolidated Statement Of Financial Position

for the year ended 31 December 2011

	Notes	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
ASSETS					
Non-current assets					
Property, plant and equipment	19	99,612,508	105,237,748	96,355,635	101,841,407
Intangible assets	20&5	-	2,827,792	-	2,827,792
Due from employees' Share Trust	21	320,813	320,813	317,376	317,376
Investment	5 & 22	5,468,104	-	5,468,104	-
		105,401,425	**108,386,353**	**102,141,115**	**104,986,575**
Current assets					
Inventories	23	32,497,799	36,114,556	25,242,443	30,962,073
Trade and other receivables	24	8,428,127	9,087,416	7,121,056	8,152,341
Cash and cash equivalents	25	9,760,646	12,683,619	8,182,860	9,566,666
		50,686,572	57,885,591	40,546,359	48,681,080
TOTAL ASSETS		**156,087,997**	**166,271,944**	**142,687,474**	**153,667,655**
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	26	1,273,421	1,273,421	1,273,421	1,273,421
Retained earnings		115,318,590	113,713,675	106,311,915	105,370,632
Equity attributable to owners of the parent		**116,592,011**	**114,987,096**	**107,585,336**	**106,644,053**
Non-controlling interests		-	1,841,493	-	1,935,612
Total equity		**116,592,011**	**116,828,589**	**107,585,336**	**108,579,665**
Non-current liabilities					
Interest - bearing loans	33	-	-	2,500,000	2,500,000.00
Provision for liabilities and charges	27	65,447	65,447	61,446	61,446
Deferred tax liability	17	17,563,609	17,563,609	15,045,642	15,045,642
		17,629,056	**17,629,056**	**17,607,088**	**17,607,088**
Current liabilities					
Interest - bearing loans	33	2,500,000	2,500,000	5,000,000	5,000,000
Bank overdraft	33	-	934,367	-	868,676
Trade and other payables	28	18,373,871	27,270,891	12,256,301	21,279,187
Income tax payable	29	993,059	1,109,041	238,749	333,039
		21,866,930	**31,814,299**	**17,495,050**	**27,480,902**
Total liabilities		**39,495,986**	**49,443,355**	**35,102,138**	**45,087,990**
TOTAL EQUITY AND LIABILITIES		**156,087,997**	**166,271,944**	**142,687,474**	**153,667,655**

These consolidated financial statements were approved by the Board of Directors for issue on 30 March 2012 and were signed on their behalf by:

Prof. Samuel Wangwe
Acting Chairperson

Erik Westerberg
Managing Director

Mizani ya Kampuni

Kwa mwaka ulioisha tarehe 31 Desemba 2011

	Notes	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
RASILIMALI					
Rasilimali kudumu					
Mali, mitambo na vifaa	19	99,612,508	105,237,748	96,355,635	101,841,407
Rasilimali zisiozoonekana	20&5	-	2,827,792	-	2,827,792
Stahili kutoka mfuko wa Hisa wa wafanyakazi	21	320,813	320,813	317,376	317,376
Uwekezaji	5 & 22	5,468,104	-	5,468,104	-
		105,401,425	108,386,353	102,141,115	104,986,575
Rasilimali za Muda					
Bidhaa	23	32,497,799	36,114,556	25,242,443	30,962,073
Hesabu za kupokelewa kibiashara na nyingine	24	8,428,127	9,087,416	7,121,056	8,152,341
Taslimu na benki	25	9,760,646	12,683,619	8,182,860	9,566,666
		50,686,572	57,885,591	40,546,359	48,681,080
JUMLA YA RASILIMALI		**156,087,997**	**166,271,944**	**142,687,474**	**153,667,655**
HISA NA DHIMA					
Mtaji wa Akiba					
Mtaji wa hisa ulitolewa	26	1,273,421	1,273,421	1,273,421	1,273,421
Mapato yaliyobakishwa		115,318,590	113,713,675	106,311,915	105,370,632
Hisa zilizoidhinishwa kwa wamiliki wa Kampuni mama		**116,592,011**	**114,987,096**	**107,585,336**	**106,644,053**
Wamiliki wasiodhibitiwa		-	1,841,493	-	1,935,612
Jumla		**116,592,011**	**116,828,589**	**107,585,336**	**108,579,665**
Dhima za kudumu					
Mikopo yenye riba	33	-	-	2,500,000	2,500,000.00
Tengo la utunzaji eneo	27	65,447	65,447	61,446	61,446
Dhima ya kodi iliyochelewa	17	17,563,609	17,563,609	15,045,642	15,045,642
		17,629,056	17,629,056	17,607,088	17,607,088
Dhima za muda					
Mikopo yenye riba	33	2,500,000	2,500,000	5,000,000	5,000,000
Ovadrafti ya benki	33	-	934,367	-	868,676
Madeni ya kibiashara na mengineyo	28	18,373,871	27,270,891	12,256,301	21,279,187
Madeni ya kodi ya mapato	29	993,059	1,109,041	238,749	333,039
		21,866,930	31,814,299	17,495,050	27,480,902
Jumla ya Dhima		**39,495,986**	**49,443,355**	**35,102,138**	**45,087,990**
JUMLA YA HISA NA DHIMA		**156,087,997**	**166,271,994**	**142,687,474**	**153,667,655**

Taarifa hizi kamili za fedha ziliidhinishwa na Bodi ya Wakurugenzi tarehe 30 Machi 2012 na zilitiwa saini kwa niaba yao na:

Prof. Samuel Wangwe
Kaimu Mwenyekiti

Erik Westerberg
Mkurugenzi Mtendaji

Consolidated Statement Of Changes In Equity

for the year ended 31 December 2011

	Notes	Issued Capital Tzs'000	Revaluation Reserves Tzs'000	Retained Earnings Tzs'000	Non-Controlling Interest Tzs'000	Total Tzs'000
COMPANY						
At 1 January 2010		**1,273,421**	**2,668,534**	**87,939,964**	**-**	**91,881,919**
Transfer from revaluation reserve			2,668,534)	2,668,534	-	-
Profit for the year		-	-	32,194,218	-	32,194,218
Total		**1,273,421**	**-**	**122,802,716**	**-**	**124,076,137**
				-		
Dividends	31	-	-	(16,490,801)	-	(16,490,801)
At 31 December 2010		**1,273,421**	**-**	**106,311,915**	**-**	**107,585,336**
Profit for the year		-	-	21,928,670	-	21,928,670
Total		**1,273,421**	**-**	**128,240,585**	**-**	**129,514,006**
Dividends	31	-	-	(12,921,995)	-	(12,921,995)
At 31 December 2011		**1,273,421**	**-**	**115,318,590**	**-**	**116,592,011**
GROUP						
At 1 January 2010		**1,273,421**	**2,668,534**	**87,939,964**	**-**	**91,881,919**
Transfer from revaluation reserve		-	(2,668,534)	2,668,534	-	-
Profit for the year		-	-	31,681,935	**891,868**	32,573,803
Total		**1,273,421**	**-**	**122,290,433**	**891,868**	**124,455,722**
Dividends		-	-	(16,919,801)	(716,465)	(17,636,266)
Acquisition of subsidiary		-	-	-	1,760,209	1,760,209
At 31 December 2010		**1,273,421**	**-**	**105,370,632**	**1,935,612**	**108,579,665**
Profit for the year		-	-	21,265,038	1,025,881	22,290,919
Total		**1,273,421**	**-**	**126,635,670**	**2,961,493**	**130,870,584**
Dividends	31	-	-	(12,921,995)	(1,120,000)	(14,041,995)
At 31 December 2011		**1,273,421**	**-**	**113,713,675**	**1,841,493**	**116,828,589**

The transfer of revaluation reserves to retained earnings is due to a change in fixed assets accounting policy from the revaluation to cost model. The Company changed from revaluation to cost model as the cost model results in reliable and more relevant information to the key users of the consolidated financial statements.

In reverting to the cost model, the revalued amounts as at the end of 2005 were deemed cost. The Company adopted IFRS in 2005 and IFRS 1 allowed first time adopters at the time to use fair values of property, plant and equipment as deeded costs, if they so elected.

Taarifa Ya Mabadiliko ya Hisa/Mtaji

Kwa mwaka ulioisha tarehe 31 Desemba 2011

	Maelezo	Mtaji Uliotolewa upya Tzs'000	Akiba iliyothaminiwa Tzs'000	Mapato yaliyobadilishwa Tzs'000	Riba isiyodhibitiwa Tzs'000	Jumla Tzs'000
KAMPUNI						
Tarehe 1 JanuarI 2010		**1,273,421**	**2,668,534**	**87,939,964**	**-**	**91,881,919**
Transfer from revaluation reserve			2,668,534)	2,668,534	-	-
Faida kwa mwaka		-	-	32,194,218	-	32,194,218
Jumla		**1,273,421**	**-**	**122,802,716**	**-**	**124,076,137**
				-		
Magawio	31	-	-	(16,490,801)	-	(16,490,801)
Tarehe 31 Desemba 2010		**1,273,421**	**-**	**106,311,915**	**-**	**107,585,336**
Faida kwa mwaka		-	-	21,928,670	-	21,928,670
Jumla		**1,273,421**	**-**	**128,240,585**	**-**	**129,514,006**
Magawio	31	-	-	(12,921,995)	-	(12,921,995)
Tarehe 31 Desemba 2011		**1,273,421**	**-**	**115,318,590**	**-**	**116,592,011**
KUNDI						
Tarehe 1 Januari 2010		**1,273,421**	**2,668,534**	**87,939,964**	**-**	**91,881,919**
Transfer from revaluation reserve		-	(2,668,534)	2,668,534	-	-
Faida kwa mwaka		-	-	31,681,935	**891,868**	32,573,803
Jumla		**1,273,421**	**-**	**122,290,433**	**891,868**	**124,455,722**
Magawio		-	-	(16,919,801)	(716,465)	(17,636,266)
Acquisition of subsidiary		-	-	-	1,760,209	1,760,209
Tarehe 31 Desemba 2010		**1,273,421**	**-**	**105,370,632**	**1,935,612**	**108,579,665**
Faida kwa mwaka		-	-	21,265,038	1,025,881	22,290,919
Jumla		**1,273,421**	-	**126,635,670**	**2,961,493**	**130,870,584**
Magawio	31	-	-	(12,921,995)	(1,120,000)	(14,041,995)
Taehe 31 Desemba 2011		**1,273,421**	**-**	**113,713,675**	**1,841,493**	**116,828,589**

The transfer of revaluation reserves to retained earnings is due to a change in fixed assets accounting policy from the revaluation to cost model. The Company changed from revaluation to cost model as the cost model results in reliable and more relevant information to the key users of the consolidated financial statements.

In reverting to the cost model, the revalued amounts as at the end of 2005 were deemed cost. The Company adopted IFRS in 2005 and IFRS 1 allowed first time adopters at the time to use fair values of property, plant and equipment as deeded costs, if they so elected.

Consolidated Statement Of Cash Flow

for the year ended 31 December 2011

	Notes	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
OPERATING ACTIVITIES					
Cash generated from operating activities	30	40,969,525	45,291,295	41,930,975	45,339,921
Dividend received		-	-	126,000	126,000
Finance income	14	52,438	52,438	78,445	78,445
Finance costs	13	(613,577)	(741,001)	(806,180)	(880,586)
Income taxes paid	29	(10,247,470)	(11,500,310)	(10,797,241)	(12,187,060)
Net cash flows from operating activities		**30,160,916**	**33,102,422**	**30,531,999**	**32,476,720**
INVESTING ACTIVITIES					
Acquisition of a subsidiary net of cash acquired	5 & 22	-	-	(4,588,000)	(4,588,000)
Proceeds from sale of property, plant and equipment		-	-	22,112	68,614
Purchase of property, plant and equipment	19	(8,258,013)	(8,749,875)	(17,573,551)	(18,127,275)
Net cash flow used in investing activities		**(8,258,013)**	**(8,749,875)**	**(22,139,439)**	**(22,646,661)**
FINANCING ACTIVITIES					
Employees' Share Trust	21	(3,437)	(3,437)	62,106	62,106
Proceeds from borrowings	33	-	-	10,000,000	10,000,000
Repayment of borrowings	33	(5,000,000)	(5,000,000)	(2,500,000)	(2,500,000)
Dividends paid to equity holder of parent	31	(13,082,835)	(13,082,835)	(16,490,801)	(16,919,801)
Dividend paid to non-controlling interest		-	(1,120,000)	-	(716,465)
Net cash flow used in financing activities		**(18,086,272)**	**(19,206,272)**	**(8,928,695)**	**(10,074,160)**
Net (decrease)/increase in cash and cash equivalents		3,816,631	5,146,275	(536,135)	(244,101)
Net foreign exchange difference		(2,238,845)	(2,095,013)	(1,450,858)	(1,227,762)
Cash and cash equivalents at the beginning of the year		8,182,860	8,697,990	10,169,853	10,169,853
Cash and cash equivalents at the end of the year	25	**9,760,646**	**11,749,252**	**8,182,860**	**8,697,990**

Mtiririko wa Fedha

Kwa mwaka ulioisha tarehe 31 Desemba 2011

	Notes	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
SHUGHULI ZA UENDESHAJI					
Taslimu kutoka shughuli za biashara	30	40,969,525	45,291,295	41,930,975	45,339,921
Gawio lililopokewa		-	-	126,000	126,000
Mapato ya Fedha	14	52,438	52,438	78,445	78,445
Gharama za Fedha	13	(613,577)	(741,001)	(806,180)	(880,586)
Kodi ya mapato iliyolipwa	29	(10,247,470)	(11,500,310)	(10,797,241)	(12,187,060)
Mapato halisi kutoka shughuli za biashara		**30,160,916**	**33,102,422**	**30,531,999**	**32,476,720**
SHUGHULI ZA UWEKEZAJI					
Utwaaji wa fedha halisi za ununuzi wa kampuni tanzu	5&22	-	-	(4,588,000)	(4,588,000)
Mapato kutoka mauzo ya mali, mitambo na zana		-	-	22,112	68,614
Ununuzi wa mali, mitambo na zana	19	(8,258,013)	(8,749,875)	(17,573,551)	(18,127,275)
Mapato halisi yaliyotumika katika uwekezaji		**(8,258,013)**	**(8,749,875)**	**(22,139,439)**	**(22,646,661)**
SHUGHULI ZA KUGHARIMIA					
Mfuko wa Hisa za Wafanyakazi	21	(3,437)	(3,437)	62,106	62,106
Mapato kutoka ukopaji	33	-	-	10,000,000	10,000,000
Urejeshaji wa mikopo	33	(5,000,000)	(5,000,000)	(2,500,000)	(2,500,000)
Magawio yaliyolipwa kwa wenye hisa wa kampuni mama	31	(13,082,835)	(13,082,835)	(16,490,801)	(16,919,801)
Gawio lililolipwa kwa wasio na udhibiti		-	(1,120,000)	-	(716,465)
Mapato halisi yaliyotumiwa katika shughuli za kugharimia		**(18,086,272)**	**(19,206,272)**	**(8,928,695)**	**(10,074,160)**
Kupungua/Ongezeko katika fedha taslimu na fedha Linganifu		3,816,631	5,146,275	(536,135)	(244,101)
Net foreign exchange difference		(2,238,845)	(2,095,013)	(1,450,858)	(1,227,762)
Fedha taslimu na Fedha linganifu mwanzo wa mwaka		8,182,860	8,697,990	10,169,853	10,169,853
Fedha taslimu na Fedha linganifu mwisho wa mwaka	25	**9,760,646**	**11,749,252**	**8,182,860**	**8,697,990**

THE NELSON MANDELA AFRICAN INSTITUTE OF SCIENCE AND TECHNOLOGY - ARUSHA

The Nelson Mandela African Institute of Science and Technology in Arusha (NM AIST - Arusha) is one in a network of Pan- African Institutes of Science and Technology located across the continent.

The consolidated financial statements have been prepared on a historical cost basis. No other adjustments have been made for inflationary factors affecting the statements.

Notes to the consolidated financial statements

1. CORPORATE INFORMATION

The consolidated financial statements of the Group for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of Directors on 30 March 2012.Tanga Cement Company Limited, the reporting entity, is incorporated in Tanzania under the Companies Act 2002 as a limited liability Company and is domiciled in Tanga, Tanzania. The name of the reporting entity has not changed from the preceding reporting period. The Company's shares are publicly traded at the Dar es Salaam Stock Exchange. Company information refers to page 1.

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

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis. No other adjustments have been made for inflationary factors affecting the statements. The consolidated financial statements are prepared in Tanzanian Shillings and all values are rounded to the nearest thousand (Tzs'000) except when otherwise indicated. These consolidated financial statements cover the year ended 31 December 2011.

2.2 STATEMENT OF COMPLIANCE AND BASIS OF CONSOLIDATION

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

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2011.

The subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

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

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Business combinations and goodwill

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

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

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

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

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

b) Investment in an associate

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

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

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

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

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

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

c) Foreign currency translation

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

i) Transactions and balances

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

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

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

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

ii) Group companies

The assets and liabilities of foreign operations are translated into Tanzanian Shilling (Tzs) at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in equity. On disposal of a foreign operation, the component in equity relating to that particular foreign operation is recognised through other comprehensive income into profit or loss in the statement of comprehensive income.

d) Revenue recognition

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

Sale of goods

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

Technical fees

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

Interest income

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

Dividends

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

e) Taxation

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

Value Added Tax

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

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

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

f) Property, plant and equipment

Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. All other repair and maintenance costs are recognised in profit and loss as incurred.
Depreciation on property, plant and equipment is computed on a straight line basis over the estimated useful lives of the assets. The rates of depreciation used are:

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset, (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.
The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate at each financial year end.

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

Group as a lessee

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

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

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

Group as a lessor

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

h) Borrowing costs

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

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

i) Intangible assets

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

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

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

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

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

j) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

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

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

Loans and receivables

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

Available-for-sale financial investments

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

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

The Group did not have any available for sale financial assets during the year ended 31 December 2011 (2010: Nil).

Derecognition

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

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

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

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

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

Impairment of financial assets

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

Financial assets carried at amortised cost

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

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

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

Available-for-sale financial investments

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

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

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

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

ii) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:
Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.
Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.
The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings

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

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

Derecognition

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

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

k) Inventories

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

Raw materials:

Purchase cost on a first in, first out basis.

Finished goods and work in progress:

Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.
Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in other comprehensive income, in respect of the purchases of raw materials.

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

l) Impairment of non-financial assets

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

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

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

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

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

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

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.
Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

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

m) Royalties

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

n) Cash and cash equivalent

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

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

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

o) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Site restoration provision

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

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

p) Employees' benefits

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

q) Construction in progress

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

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

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

Comparatives

Where necessary, comparative figures have been adjusted or reclassified to conform with changes in the presentation in the current year.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2011
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2010
- IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment) effective 1 January 2011
- Improvements to IFRSs (May 2010)

The adoption of the standards or interpretations is described below: IAS 8.28

IAS 24 Related Party Transactions (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 32 Financial Instruments: Presentation (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group because the Group does not have these type of instruments.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as a pension asset. The Group is not subject to minimum funding requirements in Tanzania, therefore the amendment of the interpretation has no effect on the financial position nor performance of the Group.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group.

- IFRS 3 Business Combinations: The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

Improvements to IFRSs

- The amendments to IFRS 3 are effective for annual periods beginning on or after 1 July 2011. The Group, however, adopted these as of 1 January 2011 and changed its accounting policy accordingly as the amendment was issued to eliminate unintended consequences that may arise from the adoption of IFRS 3.
- IFRS 7 Financial Instruments — Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the consolidated financial statements. The Group did not have any other comprehensive income during the year.

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

- IFRS 3 Business Combinations (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))
- IFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements.

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRIC 13 Customer Loyalty Programmes (determining the fair value of award credits)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgments

In the process of applying the Group's accounting policies, management has made no judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Estimates and assumptions

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

Provision for quarry restoration

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

The carrying value of provision for quarry restoration refers to Note 27.

Asset useful lives

The useful lives of items of property, plant and equipment are estimated annually and are in line with the rate at which they are depreciated.
The carrying value of property, plant and equipment refer to Note 19.

Impairment of non-financial assets

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

Fair value of financial instruments

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

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IAS 1 Financial Statement Presentation
Presentation of Items of Other Comprehensive Income. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 12 Income Taxes – Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012.

IAS 19 Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Group is currently assessing the full impact of the remaining amendments. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements. The Group does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers.

IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will not impact the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

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

Notes to the consolidated financial statements

for the year ended 31 December 2011

5 BUSINESS COMBINATIONS AND ACQUISTION OF NON-CONTROLLLING INTEREST

Acquisition done in 2010
Acquisition of Cement Distribution (EA) Limited

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

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

	Amount in Tzs Tzs'000	Amount in Tzs Tzs'000
The fair value of Cement Distributors East Africa Limited which as at the date of acquisition was:		
Total identifiable net assets at fair value	4,400,521	
Cash consideration	4,588,000	
20% of prior to acquisition interest in CDEAL at fair value	880,104	
		5,468,104
Non-controlling interest measured at fair value		1,760,208
Total		**7,228,313**
Fair value adjustment		
	3,493,403	
Share capital	102,000	
Retained earnings	805,118	
Net asset		**4,400,521**
Goodwill arising on acquisition		**2,827,792**

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

The goodwill of Tzs 2.8 billion is resulting from the difference between net asset acquired at fair value and consideration paid.

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
6 REVENUE				
Cement revenue	160,770,272	225,883,326	146,631,396	187,925,167
Transport revenue	665,446	7,979,936	2,549,882	11,503,092
Total	**161,435,718**	**233,863,262**	**149,181,278**	**199,428,259**
7 COST OF SALES				
Included in cost of sales are:				
Raw materials	34,104,158	34,483,705	26,890,326	26,890,326
Distribution costs	13,638,865	73,985,264	12,375,626	26,296,791
Fuel expenses	21,919,871	21,919,871	17,412,683	17,412,683
Electricity expenses	12,368,489	12,368,489	9,322,403	9,322,403
Personnel expenses	7,625,285	7,625,285	6,931,190	6,931,190
Maintenance expenses	12,924,744	12,924,744	9,219,168	9,219,168
Other production expenses	6,819,565	6,819,565	7,314,478	7,314,478
Cost of cement purchases	-	-	-	28,456,928
Total	**109,400,977**	**170,126,923**	**89,465,874**	**131,843,967**
8 ROYALTIES				
Limestone	80,699	80,699	78,784	78,784
Red soil	7,593	7,593	8,087	8,087
Pozzolana	95,692	95,692	15,649	15,649
Total	**183,984**	**183,984**	**102,520**	**102,520**

Royalties payable to the Ministry of Energy and Minerals during the year are recognised as expenses and are included in the cost of sales line item as part of direct costs of raw materials.

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
9 OTHER INCOME				
Technical fees	-	-	116,370	116,370
Sundry income - sale of scrap metals	120,390	178,049	127,878	127,878
Dividend income from Subsidiary	1,680,000	-	651,000	-
Gain on sale of property, plant and equipment	-	-	-	7,331
Total	**1,800,390**	**178,049**	**895,248**	**251,579**
9 (b) OTHER EXPENSES				
Loss on sale of property, plant and equipment	-	-	25,628	-
10 SELLING EXPENSES				
Other marketing and sales expenses	117,777	117,777	554,867	554,867
Personnel expenses	691,224	691,224	1,003,352	1,003,352
Third party service	1,010,969	1,010,969	381,639	381,639
Total	**1,819,970**	**1,819,970**	**1,939,858**	**1,939,858**

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
11 ADMINISTRATION EXPENSES				
Personnel expenses	5,254,174	8,876,340	4,735,009	6,511,518
Third party service	2,288,179	2,288,179	1,145,466	4,925,405
Other administration expenses	1,223,267	5,707,591	1,114,937	1,386,176
Total	**8,765,620**	**16,872,110**	**6,995,412**	**12,823,099**
12 OPERATING PROFIT				
Operating profit from operations is after charging/(crediting):				
Loss /(gain) on sale of property, plant and Equipment	-	-	25,628	(7,331)
Auditors' remuneration:				
Audit fees				
-external	133,814	171,111	117,299	165,122
Directors' remuneration				
- Director's Expenses	108,557	121,067	123,083	123,083
Holcim Group fee	-	-	576,676	576,676
Staff costs:				
- Service costs	10,132,416	13,681,866	9,106,753	10,353,818
- Pension costs (Defined contribution plan)	703,702	776,417	1,069,208	1,123,106
Rentals -Operating Lease payments	434,055	434,055	290,016	621,064
Depreciation and amortisation	5,001,140	5,353,534	5,489,312	5,741,060
13 FINANCE COSTS				
Interest on bank overdraft/loan	613,577	741,001	806,180	880,586
Total	**613,577**	**741,001**	**806,180**	**880,586**
14 FINANCE INCOME				
Interest on bank deposit	52,438	52,438	78,445	78,445
15 FOREIGN EXCHANGE LOSSES				
Exchange difference on cash and cash equivalent	2,238,845	2,095,013	1,450,858	1,227,762
	2,238,845	2,095,013	1,450,858	1,227,762
16 SHARE OF PROFIT OF ASSOCIATES				
Dividends received				
- Cement Distributors (EA) Limited	-	-	126,000	126,000
	-	-	126,000	126,000
Share of profits of the period				
- Cement Distributors (EA) Limited	-	-	20,709	20,709
	-	-	20,709	20,709
Total	**-**	**-**	**146,709**	**146,709**

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
17 INCOME TAX				
Consolidated statement of income				
Current income tax	10,032,467	11,284,893	10,749,634	12,074,712
Adjustments in respect of current income tax of previous year	969,313	991,419	-	-
Deferred tax charge	2,517,967	2,517,967	1,752,216	1,410,328
	13,519,747	**14,794,279**	**12,501,850**	**13,485,040**
Deferred tax liability				
Due to accelerated capital allowances and provisions				
At 1 January	15,045,642	15,045,642	13,293,426	13,293,426
Charge for the year	2,517,967	2,517,967	1,752,216	1,752,216
At 31 December	17,563,609	17,563,609	15,045,642	15,045,642
Total deferred tax liability	**17,563,609**	**17,563,609**	**15,045,642**	**15,045,642**

As at 31 December 2011, Cement Distributor (EA) Limited, has a potential deferred tax asset of Tzs 38,407,375 (2010: Tzs 25,757,000) originating from temporary difference on tangible fixed assets. As the amount has no material impact on the results of the Group it is not recognised in these consolidated financial statements.

Tax rate reconciliation

	%	%	%	%
Standard rate of Tanzania normal taxation	30	30	30	30
The standard rate has been affected by:				
- Expenses not deductible for tax purposes	8.74	9.96	1.79	1.89
- Income taxed at reduced rate	(3.21)	(6.98)	(3.82)	(3.02)
Effective tax rate	35.53	32.98	27.97	28.87

18 EARNINGS PER SHARE

18 (a) Basic earnings per share

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

Attributable profit to ordinary shareholders - Tzs	21,928,670	21,265,038	31,495,537	31,681,935
	Number	**Number**	**Number**	**Number**
Weighted average number of ordinary shares	63,671,045	63,671,045	63,671,045	63,671,045

18 (b) Diluted earnings per share

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

Attributable profit to ordinary shareholders - Tzs	21,928,670	21,265,038	31,495,537	31,681,935
	Number	**Number**	**Number**	**Number**
Weighted average number of ordinary shares	63,671,045	63,671,045	63,671,045	63,671,045

Notes to the consolidated financial statements

for the year ended 31 December 2011

19 PROPERTY, PLANT AND EQUIPMENT

19 (a)PROPERTY, PLANT AND EQUIPMENT - COMPANY

	Leasehold land and Buildings Tzs'000	**Plant and Machinery Tzs'000**	**Motor Vehicles Tzs'000**	**Furniture Fittings & Equipment Tzs'000**	**Capital Work in Progress Tzs'000**	**Total Tzs'000**
At 1 January 2011	18,986,905	89,582,893	1,494,150	135,253	8,187,629	118,386,830
Additions	69,221	5,231,381	-	(21,410)	2,978,821	8,258,013
Transfers	553,063	276,604	-	(829,667)	-	
Disposals	-	-	-	-	-	
At 31 December 2011	**19,609,189**	**95,090,878**	**1,494,150**	**113,843**	**10,336,783**	**126,644,843**
Depreciation						
At 1 January 2011	1,947,158	19,328,426	679,722	75,889	-	22,031,195
Charge for the year	550,816	4,448,007	228,932	16,712	-	5,244,467
Write-up	-	(243,327)	-	-	-	(243,327)
At 31 December 2011	**2,497,974**	**23,533,106**	**908,654**	**92,601**	**-**	**27,032,335**
Carrying amount						
At 31 December 2011	**17,111,215**	**71,557,772**	**585,496**	**21,242**	**10,336,783**	**99,612,508**

	Leasehold land and Buildings Tzs'000	**Plant and Machinery Tzs'000**	**Motor Vehicles Tzs'000**	**Furniture Fittings & Equipment Tzs'000**	**Capital Work in Progress Tzs'000**	**Total Tzs'000**
At 1 January 2010	**11,542,431**	**84,413,219**	**1,345,332**	**116,602**	**3,525,165**	**100,942,749**
Additions	7,392,197	3,152,935	278,288	18,651	6,731,480	17,573,551
Transfers	52,277	2,016,739	-	-	(2,069,016)	-
Disposals	-	-	(129,470)	-	-	(129,470)
At 31 December 2010	**18,986,905**	**89,582,893**	**1,494,150**	**135,253**	**8,187,629**	**118,386,830**
Cost	18,177,917	79,927,539	1,323,255	85,166	8,187,629	107,701,506
Revaluation - 1996	808,988	9,655,354	170,895	50,087	-	**10,685,324**
Total	**18,986,905**	**89,582,893**	**1,494,150**	**135,253**	**8,187,629**	**118,386,830**
Depreciation						
At 1 January 2010	1,487,599	14,547,919	535,207	52,888	-	16,623,613
Charge for the year	459,559	4,780,507	226,245	23,001	-	5,489,312
Disposals	-	-	(81,730)	-	-	(81,730)
At 31 December 2010	**1,947,158**	**19,328,426**	**679,722**	**75,889**	**-**	**22,031,195**
Carrying amount						
At 31 December 2010	**17,039,747**	**70,254,467**	**814,428**	**59,364**	**8,187,629**	**96,355,635**

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for the year ended 31 December 2011

19 (b) PROPERTY, PLANT AND EQUIPMENT - GROUP

	Leasehold land and Buildings Tzs'000	Plant and Machinery Tzs'000	Motor Vehicles Tzs'000	Furniture Fittings & Equipment Tzs'000	Capital Work in Progress Tzs'000	Total Tzs'000
At 1 January 2011	24,215,183	89,701,620	1,683,039	350,422	8,187,629	124,137,893
Additions	69,221	5,289,046	425,074	(12,286)	2,978,820	8,749,875
Transfers	553,063	276,604	-		(829,667)	-
At 31 December 2011	**24,837,467**	**95,267,270**	**2,108,113**	**338,136**	**10,336,782**	**132,887,768**
Depreciation						
At 1 January 2011	2,020,537	19,377,442	795,604	102,903	-	22,296,486
Charge for the year	624,195	4,503,933	423,122	45,611	-	5,596,861
Disposals/ value adjustment	-	(243,327)	-	-	-	(243,327
At 31 December 2011	**2,644,732**	**23,638,048**	**1,218,726**	**148,514**	**-**	**27,650,020**
Carrying amount						
At 31 December 2011	22,192,735	71,629,222	889,387	189,622	10,336,782	105,237,748
At 1 January 2010	11,542,431	84,413,219	1,345,332	116,602	3,525,165	100,942,749
Additions	7,796,277	3,184,080	376,053	39,385	6,731,480	18,127,275
Transfers	52,277	2,016,739	-	-	(2,069,016)	-
Disposals	-	-	(129,470)	-	-	(129,470)
Net assets acquired during the year	**4,824,198**	**87,582**	**91,124**	**194,435**	**-**	**5,197,339**
At 31 December 2010	24,215,183	89,701,620	1,683,039	350,422	8,187,629	124,137,893
Depreciation						
At 1 January 2010	1,487,599	14,547,919	535,207	52,888	-	16,623,613
Charge for the year	532,938	4,829,523	328,584	50,015	-	5,741,060
Disposals/ value adjustment	-	-	(68,187)	-	-	(68,187)
At 31 December 2010	**2,020,537**	**19,377,442**	**795,604**	**102,903**	**-**	**22,296,486**
Carrying amount						
At 31 December 2010	**22,194,646**	**70,324,178**	**887,435**	**247,519**	**8,187,629**	**101,841,407**

Information relating to property, plant and equipment:

i) The property, plant and equipment are used as security for facilities provided by NBC Limited, Standard Chartered Bank Limited and Stanbic Bank Tanzania Limited, refer note 34. The property, plant and equipment to the value of Tzs 1.3 billion are also security for a bank facility for Cement Distributors (EA) Limited (CDEAL) that Tanga Cement Company Limited guaranteed.

ii) In December 2007 an independent valuation was carried out by a sworn appraiser for the purpose of establishing the market value of the Group's property, plant and equipment. The net current replacement cost of the plant and equipment amounted to US$ 200 million. No adjustment was made in the accounting records to reflect the current market value of the Group's property, plant and equipment.

iii) Included in plant and machinery at 31 December 2011 is Tzs 4.3 billion relating to the insurance spares moved from inventory to plant, machinery and equipment (2010: clinker silo Tzs 7.5 billion).

iv) At the date of acquisition the fair values of CDEAL Properties was considered to be equal to its carrying amount with the exception of Land and buildings which was valued at Tzs 3.4 billion above its carrying amount. This figure has been included in the consolidated financial statements.

v) The amount of borrowing cost capitalized during the year ended 31 December 2011 was Tzs Nil (2010: Tzs Nil). The rate used to determine the amount of borrowing cost eligible for capitalization was Nil (2010: 14%), which was the effective interest rate of the specific borrowing.

vi) The write up is a reversal of depreciation previously charged as result for assessing useful life of fully depreciated assets.

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
20 INTANGIBLE ASSETS				
20(a) Computer software				
Cost	239,025	239,025	239,025	239,025
Accumulated amortisation	(239,025)	(239,025)	(239,025)	(239,025)
At 31 December	**-**	**-**	**-**	**-**

This is initial installation cots of accounting software which was capitalised in 2003, the management decided to amortise it over six years. By 2009 it was fully amortised and due to its materiality the management did not revise its amortisation rate, neither re-assess its useful lives as the Company has been paying licence and royalty fee for using the software and expense in the respective year.

20(b) Goodwill

	Company 2011	Group 2011	Company 2010	Group 2010
At 1 January	-	2,827,792	-	-
Acquisition of Subsidiary Company	-	-	-	2,827,792
Impairment	-	-	-	-
At 31 December	**-**	**2,827,792**	**-**	**2,827,792**

Goodwill acquired through business combinations. The directors review the goodwill for impairment annually based on projected cash flows for the cash generating units. The goodwill was not impaired during the year(2010: Nil).

The above intangible does not include any intangible assets whose title is restricted which its carrying amount has been pledged as security for li abilities.

21 EMPLOYEES' SHARE TRUST

	Company 2011	Group 2011	Company 2010	Group 2010
Opening balance	317,376	317,376	379,482	379,482
Loan repayment	(137,607)	(137,607)	(169,347)	(169,347)
	179,769	179,769	210,135	210,135
Additional shares purchased	141,044	141,044	107,241	107,241
Total	**320,813**	**320,813**	**317,376**	**317,376**

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

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

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
22 INVESTMENT				
Investment in subsidiary	5,468,104	-	5,468,104	-
Investment in associate company	-	-	-	-
	5,468,104	-	5,468,104	-
Unlisted shares at cost - CDEAL	-	-	20,400	-
Share of post acquisition reserves	-	-	140,314	-
Additional acquisition of share s	-	-	4,588,000	-
Share of post acquisition reserves	-	-	20,709	-
Gain in fair value of pre-acquisition shares	-	-	698,681	-
Transfer to the investment in Group	-	-	(5,468,104)	-
		-	-	-
Unlisted shares at cost - EARHL	-	-	134,561	134,561
Share of post acquisition reserves	-	-	(3,390)	(3,390)
Impairment of associates	-	-	(131,171)	(131,171)
	-	-	-	-

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

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

			Unaudited figure As at 31 March 2010	
Share capital	-	-	102,000	-
Accumulated profit	-	-	805,118	-
Non-current liabilities	-	-	18,539	-
Non-current assets	-	-	1,340,632	-
Net current assets/ (liabilities)	-	-	404,296	-
Profit after tax	-	-	797,740	-

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

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

Notes to the consolidated financial statements

for the year ended 31 December 2011

22 INVESTMENT (Continued)

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

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

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

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
		Audited Figure		Audited Figure
Sales	2,998,258	2,998,258	3,320,080	3,320,080
Operating profit/(loss)	7,036	7,036	(499,955)	(499,955)
Borrowing costs	(21,721)	(21,721)	(58,876)	(58,876)
Loss before taxation	(14,685)	(14,685)	(558,831)	(558,831)
Taxation	-	-	-	-
Loss for year	(30,352)	(30,352)	(558,831)	(558,831)
Brought to account by the Group as dividend income	-	-	-	-
Share of earnings retained by associates	(30,352)	(30,352)	(558,831)	(558,831)
Net liabilities during year	(81,174)	(81,174)	(50,822)	(50,822)
Carrying value at beginning of year	-	-	131,171	131,171
Investment in associate written off	-	-	(131,171)	(131,171)
Carrying Value at end of Year	-	-	-	-
		As at 31 December		**As at 31 December**
Share capital	659,375	659,375	134,561	134,561
Accumulated loss	(740,549)	(740,549)	(154,702)	(154,702)
Non-current liabilities	45,296	45,296	253,057	253,057
Non-current assets	235,920	235,920	72,417	72,417
Net current assets / (liabilities)	(271,798)	(271,798)	(68,387)	(68,387)

(i) The above figures are determined from the latest unaudited financial statements for the year ended 31 December 2011.

(ii) Equity method of accounting has been consistently used for its interest in the associate when preparing the company and group accounts

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
23 INVENTORIES				
Raw materials (at cost)	2,764,261	2,764,261	2,063,037	2,063,037
Semi finished and finished products (at cost)	9,743,299	11,595,996	7,594,155	11,053,664
Fuels (at cost)	7,063,143	7,063,143	2,829,992	2,829,992
Parts and consumables (at cost)	16,420,840	16,420,840	16,200,675	16,200,675
Goods In Transit	-	1,764,060	-	2,260,121
	35,991,543	39,608,300	28,687,859	34,407,489
Provision for obsolete stocks	(3,493,744)	(3,493,744)	(3,445,416)	(3,445,416)
Total inventories at the lower of cost and net realisable value	**32,497,799**	**36,114,556**	**25,242,443**	**30,962,073**

During 2011, Tzs Nil (2010: Tzs Nil) was recognised as an expenses for inventories carried at net realisable value. In addition, the cost of inventories recognised as an expenses and included in 'cost of sales', disclosed in Note 7, amounted to Tzs 34,484 million (2010: Tzs 26,890 million).

However, the amount of inventories written back recognised as an income is Tzs Nil (2010: Tzs 290 million as income). This write back is included in the cost of sales line item as an income, which is disclosed in Note 7. These amounts present some inventories previously fully provided as they were damaged which Group has managed to recover back from the Supplier.

During the year, unrealised profit on the inventory was Tzs 1,726 million (2010: Tzs 1,203 million).

Floating assets including the carrying amount of inventories has been pledged as security for overdraft facilities.

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
24 TRADE AND OTHER RECEIVABLES				
Trade accounts receivable	7,356,644	2,290,245	5,498,609	3,541,683
Prepaid expenses	493,363	6,219,051	1,452,109	4,440,320
Other receivables	578,120	578,120	170,338	170,338
Provision for impairment of receivables	-	-	-	-
Total	**8,428,127**	**9,087,416**	**7,121,056**	**8,152,341**

Trade receivables are non-interest bearing and are generally on 30 day terms.
Days sales outstanding for 2011 were 7 days (2010: 7 days).
No Trade receivables were impaired or fully provided for.(2010:Tzs 49 million)
Movement on the provision for impairment of trade and other receivables:

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
At 1 January	-	-	49,136	49,136
Charge for the year	-	-	-	-
Recoveries	-	-	(49,136)	(49,136)
At 31 December	**-**	**-**	**-**	**-**

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

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
Up to 30 days	7,356,644	2,137,905	5,481,607	5,466,835
61 days	-	106,472	17,002	17,002
91 days	-	45,868	-	-
At 31 December	**7,356,644**	**2,290,245**	**5,498,609**	**5,483,837**

The carrying amounts of the above receivables approximate to their fair values.

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
25 CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	9,760,646	12,683,619	8,182,860	9,566,666
Total	**9,760,646**	**12,683,619**	**8,182,860**	**9,566,666**

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

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

	Company 2011	Group 2011	Company 2010	Group 2010
Cash and cash equivalents as above	9,760,646	12,683,619	8,182,860	9,566,666
Bank overdraft	-	(934,367)	-	(868,676)
Net cash and cash equivalent	**9,760,646**	**11,749,252**	**8,182,860**	**8,697,990**

Company undrawn borrowing facilities - overdraft facilities

	Company 2011	Group 2011	Company 2010	Group 2010
Standard Chartered Bank	10,000,000		10,000,000	
National Bank of Commerce	15,000,000		15,000,000	
Stanbic Bank Tanzania Limited	4,000,000		4,000,000	

26 ISSUED CAPITAL AND RESERVE

(a) Authorised

	Company 2011	Group 2011	Company 2010	Group 2010
63,671,045 Ordinary shares of Tzs 20 each	1,273,421	1,273,421	1,273,421	1,273,421
Issued and fully paid				
63,671,045 Ordinary shares of Tzs 20 each	1,273,421	1,273,421	1,273,421	1,273,421

There were no movements in the share capital of the company during the year. The Company has only one class of ordinary shares which carries no right to fixed income. The ownership structure is as set out as below.

The proportion of shareholding is as follows:	%	%	%	%
Holcim (Mauritius) Investment Holdings Limited	62.5	62.5	62.5	62.5
Tanga Cement Employee Share Trust	0.75	0.75	1.79	1.79
Tanzania General Public	36.75	36.75	35.71	35.71
	100	**100**	**100**	**100**

(b) Revaluation Surplus

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

27 PROVISION FOR LIABILITIES AND CHARGES

	Company 2011	Group 2011	Company 2010	Group 2010
Provision for Quarry Site Restoration				
At 1 January	61,446	61,446	57,445	57,445
Addition provision during the year	4,001	4,001	4,001	4,001
At 31 December	**65,447**	**65,447**	**61,446**	**61,446**

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

The Directors engaged experts to review the adequacy of the provision every after two to three years, to confirm to the Directors that the current provision is adequate as the Company is performing concurrent rehabilitation. The last review was done in 2010.

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
28 TRADE AND OTHER PAYABLES				
Trade accounts payable	9,340,322	14,252,580	7,568,150	15,636,338
Advance from customer	-	2,505,247	-	-
Freight and duty clearing	824,244	243,040	1,069,195	1,069,195
Dividend payable	1,370,320	1,370,320	1,521,715	1,521,715
Accrual expenses	852,142	2,236,720	825,843	870,843
Other payables	5,986,843	6,662,984	1,271,398	2,181,096
Total	**18,373,871**	**27,270,891**	**12,256,301**	**21,279,187**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled between 15 to 45 days after date of invoice.
- Other payables are non-interest bearing and have an average term of 30 days.
- For terms and conditions relating to related parties, refer to Note 33.

For explanation on the Group's credit risk management processes, refer to Note 39.
The carrying amounts of the above payables and accrued expenses approximate to their fair values.

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
29 INCOME TAX PAYABLE				
At 1 January	238,749	333,039	286,356	462,664
Payment made during the year	(10,247,470)	(11,500,310)	(10,797,241)	(12,187,060)
Current year provision (note 17)	11,001,780	12,276,312	10,749,634	12,057,435
At 31 December	**993,059**	**1,109,041**	**238,749**	**333,039**

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

30(a) Reconciliation of profit before tax to cash flow from operating activities

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
Profit from operation	38,248,401	39,868,774	46,160,442	47,374,527
Adjusted for Non cash movement:				
Depreciation and amortisation	5,001,140	5,353,534	5,489,312	5,741,060
Loss/(gain) on sale of property, plant & equipment	-	-	25,628	(7,331)
Site restoration provision	4,001	4,001	4,001	4,001
Foreign exchange losses	-	-	-	-
Other non cash items	-	-	-	(295,899)
Operating profit before working capital changes	**43,253,542**	**45,226,309**	**51,679,383**	**52,816,358**
(Increase)/decrease in inventory	(7,255,356)	(5,152,483)	(8,065,477)	(13,785,107)
(Increase)/decrease in trade and other receivables	(1,307,071)	(935,075)	(3,312,357)	(4,343,642)
Increase/(decrease) in trade and other payables	6,278,410	6,152,544	1,629,426	10,652,312
Cash generated from operating activities	**40,969,525**	**45,291,295**	**41,930,975**	**45,339,921**

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
31 DIVIDEND PAID AND PROPOSED				
Dividend paid during the year				
Dividends on ordinary shares:				
Final dividend 2010: Tzs 167 per share (2009: Tzs 179 per share)	10,599,665	10,599,665	11,397,117	11,397,117
Interim dividend 2011: Tzs 39 per share (2010: Tzs 80 per share)	2,483,171	2,483,171	5,093,684	5,093,684
Dividend paid by CDEAL before acquisition	-	-	-	429,000
	13,082,836	13,082,836	16,490,801	16,919,801
Unclaimed dividend rescinded	(160,841)	(160,841)	-	-
Total	**12,921,995**	**12,921,995**	**16,490,801**	**16,919,801**

The dividend paid is subject to appropriate withholding tax which is payable to Tanzania Revenue Authority.
Proposed for approval at the Annual General Shareholders Meeting, not recognised as a liability as at 31 December 2011, and the dividend remained unclaimed over seven years is rescinded by the Group

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
Dividends on ordinary shares:				
Final dividend for 2011 Tzs 47 per share (2010: Tzs 167 per share)	**2,992,537**	**2,992,537**	**10,633,065**	**10,633,065**

32 OPERATING LEASES

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

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
Commitments expiring in:				
- Within one year	237,476	680,403	111,881	385,773
- After one year and not more than five years	125,000	125,000	122,052	122,052

During the year, the Group charged Tzs 888 million (2010: Tzs 734 million) as expenses in the statement of comprehensive income in respect of these leases.

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
33(a) Standard Chartered Bank Tanzania limited	**Company**	**Group**		**Interest rate**
Overdraft facility (Tzs '000)	10,000,000	10,000,000	On demand	
Medium Term Loan	10,000,000	10,000,000	Two years	12 months T-Bill +2.20% per annum
Import Letter of Credits Secured - USD	250,000	250,000		
Term loan				
Opening balance 01 January 2010	10,000,000	10,000,000		
Repayment during the year	(2,500,000)	(2,500,000)		
Net balance as at 31 December 2010	**7,500,000**	**7,500,000**		
Opening balance 01 January 2011	7,500,000	7,500,000		
Repayment during the year	(5,000,000)	(5,000,000)		
Net balance	**2,500,000**	**2,500,000**		
Term loan maturity analysis				
Maturity within 12 months	2,500,000	2,500,000		
Maturity more than 12 months	-	-		

Security Held

(i) Debenture charge over fixed & floating assets shared with National Bank of Commerce (NBC) Limited and Stanbic Bank Tanzania Limited on a pari passu basis;

(ii) Legal Mortgage over Title No. 1802 registered in name of Tanga Cement Factory, Maweni for USD 12 million shared pari passu with NBC and Stanbic Bank Tanzania Limited; and

(iii) The overdraft bears a rate of interest of one year Treasury Bills plus 220 basis points per annum (2010: 220 days Treasury Bills plus 250 basis points) charged monthly on the daily outstanding amount.

Term Loan

The purpose for Term loan was to facilitate investments in expansion of cement plant. Interest is at 12 months T-Bill + 2.20% per annum. The limit specific terms and conditions are as follows:

(ii) Term loan facility repayable in equal monthly instalments after quarter year grace period;

(iv) The Borrower shall be entitled to repay amounts outstanding under the facility without penalty, on any interest payment date. Amount prepaid are not available for drawing and should be a minimum of Tzs 1 billion.

(v) All payments made by the Borrower under the facility will be made free and clear of any present and future taxes, levies, import duties, withholdings or deductions of any nature. In event of mandatory withholdings, the Borrower will be obliged to gross up.

Name of Holder	Facility	Repayment/ Settlements terms

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
33(b) National Bank of Commerce Limited (NBC)	**Company**	**Group**		
Bank overdraft	-	934,367		
Overdraft facility (Tzs '000)	15,000,000	15,000,000	On demand	

Security held by the banks

(i) Debenture charge over fixed & floating assets shared with National Bank of Commerce (NBC) Limited and Stanbic Bank Tanzania Limited on a pari passu basis;

(ii) Legal Mortgage over Title No. 1802 registered in name of Tanga Cement Factory, Maweni for Tzs 21.8 billion shared pari passu with NBC and Stanbic Bank Tanzania Limited; and

(iii) The overdraft bears a rate of interest of NBC base rate of 12% per annum (2010: 12% per annum) charged every month on the daily outstanding amount. It's agreed that, the Bank is entitled to vary the rate of interest provided that due notice shall be given to Tanga Cement Company Limited.

33 (c) Stanbic Bank Tanzania Limited

Overdraft facility (Tzs '000)	4,000,000	4,000,000	On demand	

Security held by the banks

(i) Debenture charge over fixed & floating assets shared with National Bank of Commerce (NBC) Limited and Standard Chartered Bank on a pari passu basis;

(ii) Legal Mortgage over Title No. 1802 registered in name of Tanga Cement Factory, Maweni for Tzs 5 billion shared pari passu with NBC and Stanbic Bank Tanzania Limited; and

(iii) The overdraft bears a rate of interest of 364 days Treasury Bills plus 200 basis points per annum with a minimum floor of 14% (2010: 365 days Treasury Bills plus 200 basis points) charged every month on the daily outstanding amount.

34 RELATED PARTY TRANSACTIONS

34(a) The Company sells at arm's length a major portion of its production through Cement Distributors (EA) Limited (CDEAL), subsidiary company .

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

Sales	160,310,773	-	145,809,886	-
Transportation service rendered by CDEAL	11,418,554	-	11,635,903	-
Technical fees received from CDEAL	-	-	79,549	-

34 (b) The Group sales and purchases are at arm's length a portion of its product to other related party companies as follows:

Sales to related parties				
Abbasi Exports Limited	-	54,615	-	64,113
East African Rail Hauliers Limited	-	15,473	-	26,549
Premier Cashew Industries Limited	-	-	-	2,320
Plasco Limited	-	644	-	6,249
Purchases from related parties				
Abbasi Exports Limited	-	8,598,836	-	9,262,996
East African Rail Hauliers Limited	-	3,467,880	-	3,609,470

Notes to the consolidated financial statements

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	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000

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

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

There were no transactions between East African Rail Hauliers Limited and Tanga Cement Company Limited during the year (2010:Nil) as the Company. However, Tanga Cement Company Limited as the Group, kindly see the above.

34(d) There were no transactions between AfriSam (Mauritius) Investment Holdings Limited and Tanga Cement Company Limited during the year (2010: Nil).

34(e) 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 group.

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
Key Management compensation				
Short-term employee benefits (Salary)	1,698,221	1,881,337	1,249,303	1,432,419
Post-employee benefits (Defined contribution plans)	233,031	249,184	181,903	198,056
	1,931,252	**2,130,521**	**1,431,206**	**1,630,475**

No terminal or other term benefits were paid to key management personnel during the year (2010: Nil).

- As at 31 December 2011, there was no outstanding amount with key management personnel.
- The amounts disclosed in the table above are the amounts recognised as an expenses during the reporting period related to key management personnel.

34(f) The Company pays fees to the ultimate holding company AfriSam Limited as follows:

(i) The group did not pay any group fee during the year. (2010 Tzs 576 million).
(ii) Balances outstanding at the end of the year to and from related companies are as follows:

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. At 31 December 2011 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2010: Tzs Nil). This assessment is undertaken at the end of each financial year through examining the financial position of the related party and the market in which the related party operates.

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
Due from related Company				
Cement Distributors (EA) Limited	7,356,644	-	4,899,596	-
Due to related Companies				
Holcim Group support Limited - Group fees	576,676	576,676	576,676	576,676
Cement Distributors (EA) Limited	415,378	-	2,242,638	-
AfriSam South Africa (Pty) Limited	111,548	111,548	143,301	143,301

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000

35 CAPITAL COMMITMENTS

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

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
Approved and contracted for	**3,613,557**	**3,613,557**	**3,272,227**	**3,272,227**

These are in respect of feasibility study on kiln project amounting to Tzs 1,857 million, purchase of front-end-loader amounting to Tzs 844 million and the rest of for other capital expenditure. Funds to meet these expenditures will be provided from internal resources and overdraft facilities except for the new kiln project, where the company is looking to finance it through debt.

36 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in eco nomic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to share holders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 31 De cember 2010. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 9% and 25%. The Group includes within net debt interest bearing borrowings, trade and other payables less cash and cash equivalents, excluding discontinued operations. Capital includes issued and fully paid share capital, retained earnings and other reserves. Despite heavy investment activity and acquisition, net financial debt decreased compared to last year, as a result of higher equity base and reasonably low interest bearing liabilities.

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000
Interest-bearing loans and borrowings (Note 33)	2,500,000	3,434,367	7,500,000	8,368,676
Trade and other payables (Note 28)	18,373,871	27,270,891	12,256,301	21,279,187
Less: Cash and cash equivalent (Note 25)	(9,760,646)	(12,683,619)	(8,182,860)	(9,566,666)
Net debt	**11,113,225**	**18,021,639**	**11,573,441**	**20,081,197**
Capital	116,592,011	116,743,243	107,691,938	108,686,267
Capital and net debt	127,705,236	134,764,882	119,265,379	128,767,464
Gearing ratio	10%	17%	11%	18%

37 INVESTMENT IN MIVUMONI BIOFARM LIMITED

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

The Mivumoni Biofarm Limited was incorporated on 22 February 2007. The Non-controlling interest shares are held by Larry Electrical Works Limited.

This subsidiary is insignificant and do not materially affect consolidated financial statements of the Tanga Cement Company Limited for the years 2011 and 2010. The entity was formed for the purpose of operating a plantations for biomas project but has been dormant since its formation. The Directors have decided not to include in the consolidated financial statements.

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

Notes to the consolidated financial statements

for the year ended 31 December 2011

	Company 2011 Tzs'000	Group 2011 Tzs'000	Company 2010 Tzs'000	Group 2010 Tzs'000

38 FAIR VALUE ADJUSTMENTS

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

	Carrying amount		Fair value	
	2011	2011	2011	2011
	Company	Group	Company	Group
Financial assets	Tzs'000	Tzs'000	Tzs'000	Tzs'000
Trade and other receivables	8,428,127	9,087,416	8,428,127	9,087,416
Cash and short-term deposits	9,760,646	12,683,619	9,760,646	12,683,619
Financial liabilities				
Interest - bearing loans and borrowings	2,500,000	2,500,000	2,500,000	2,500,000
Bank overdraft	-	934,367	-	934,367
Trade and other payables	18,373,871	27,270,891	18,373,871	27,270,891

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Credit risk

The Group deals only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, debtors' balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the credit committee. With respect to credit risk arising from the other financial assets of the Group which comprise cash and cash equivalents, refer to Note 25, the Group exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset mentioned in Note 24. The Group does not hold collateral as security.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates related primarily to the Group's long term debt obligations with floating interest rates. To manage this, the Group entered into interest rate swap arrangement , in which the Group agreed to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. At 31 December 2011, after taking into account the effect of interest rate swaps, approximately 100% of the Group's long term borrowings are at a fixed rate of interest.

Hence, there is no sensitivity interest risk as the movement of the interest wont have effect on the interest risk.

Liquidity risk

The Group monitors its liquidity risk by using cash flow projections. The Group's objective is to maintain a balance between continuity of funding through the use of bank borrowings. The table summaries the maturity profile of the Group's financial liabilities at 31 December 2011 based on con tractual undiscounted payments.

Notes to the consolidated financial statements

for the year ended 31 December 2011

	On demand Tzs'000	Less than 3 months Tzs'000	3 to 12 months Tzs'000	More than 12 months Tzs'000	Total Tzs'000
Balance as at 31 December 2011					
Interest-bearing loans&borrowings	-	-	2,500,000	-	2,500,000
Bank overdraft	934,367	-	-	-	-
Trade and other payables	2,250,371	13,174,964	591,346	-	13,766,310
	3,184,738	**13,174,964**	**3,091,346**	**-**	**16,266,310**
Balances as at 31 December 2010					
Interest-bearing loans&borrowings	-	-	5,000,000	2,500,000	7,500,000
Bank overdraft	868,676	-	-	-	-
Trade and other payables	2,250,371	18,518,967	509,849	-	19,028,816
	3,119,047	**18,518,967**	**5,509,849**	**- 2,500,000**	**26,528,816**

Foreign Currency risk

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

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

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

	2011 Increase/decrease in the value of Tzs vs. other currencies	Effect on profit /loss and equity Tzs'000	2010 Increase/decrease in the value ofTzs vs. other currencies	Effect on profit /loss and equity Tzs'000
Net effect based on statement of financial position - Company	5%	262,578	5%	27,999
Net effect based on statement of financial position - Group	10%	525,156	10%	55,997

The Company and Group sensitive analysis has been determined based on Company and Group net transaction exposure as at 31 December 2010, a change in 10% is used when the net foreign currency transaction risk reported internally to key management personnel to assess reasonably possible change in foreign exchange rates.

40 CONTINGENT LIABILITIES

There are several court cases instituted against the Group by some of its ex-employees whose services ceased as part of a specific redundancy exercise. These ex-employees are claiming various termination employment benefits aggregating to over Tzs 134 million (2010: Tzs 434 million).

As at 31 December 2011, the Company was a defendant in several lawsuit. The plaintiffs are claiming damages and interest thereon for the loss caused by the Group due to breach of contracts and unlawful termination of employment. The Group has filed counter-claims against the plaintiffs. The total principal amount claimed in the various lawsuits approximates to Tzs 374 million (2010: Tzs 177 million). In the opinion of the Directors and the Group's legal counsel, no material liabilities are expected to crystallise from these lawsuit.

41 EVENT AFTER REPORTING DATE

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

Notes to the consolidated financial statements

for the year ended 31 December 2011

42 ULTIMATE HOLDING COMPANY

The immediate holding company of the Group is AfriSam (Mauritius) Investment Holdings Limited. The Ultimate holding company is AfriSam (Pty) Limited incorporated in the South Africa.

43 INCORPORATION

The Group is incorporated in Tanzania under the Companies Act of 2002.

44 CURRENCY

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

45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors on the date shown on page 19. They are subject to approval by the members in the Annual General Meeting.

46 FAIR VALUES	**Level 1** **Tzs'000**	**Level 2** **Tzs'000**	**Level 3** **Tzs'000**	**Total** **Fair Value** **Tzs'000**
Company				
31 December 2011				
Financial assets				
Trade and other receivables	-	8,428,127	-	8,428,127
Cash and bank balances	-	9,760,646	-	9,760,646
Financial liabilities				
Interest - bearing loans and borrowings	-	2,500,000	-	2,500,000
Bank overdraft	-		-	-
Trade and other payables	-	18,373,871	-	18,373,871
31 December 2010				
Financial Assets				
Trade and other receivables	-	7,121,056	-	7,121,056
Cash and bank balances	-	8,182,860	-	8,182,860
Financial liabilities				
Interest - bearing loans and borrowings	-	7,500,000	-	7,500,000
Trade and other payabless	-	12,256,301	-	12,256,301

Notes to the consolidated financial statements

for the year ended 31 December 2011

Group				
31 December 2011				
Financial assets				
Trade and other receivables	-	9,087,416	-	8,428,127
Cash and bank balances	-	12,683,619	-	9,760,646
Financial liabilities				
Interest - bearing loans and borrowings	-	2,500,000	-	2,500,000
Bank Overdraft	-	934,367	-	-
Trade and other payabless	-	27,270,891	-	18,373,871
31 December 2010				
Financial assets				
Trade and other receivables	-	8,152,341	-	7,121,056
Cash and bank balances	-	9,566,666	-	8,182,860
Financial liabilities				
Interest - bearing loans and borrowings	-	7,500,000	-	7,500,000
Bank Overdraft	-	868,676	-	
Trade and other payabless	-	21,279,187	-	12,256,301

At Fair value through profit or less financial asset/liabilities - these instruments are at quoted list prices, they are classified as level 1

Trade and other receivables, cahs and bank balances, interest-bearing loans and borrowings, bank overdraft and trade and other payables are at amortised cost and their carrying amounts approximate their fair values as they have variable interest rate and the rates are market related. As the fair values are not based on quoated list prices, they are clasified as level 2 as it is based on similar market transactions.

At fair value through profit or loss financial assets/liabilities - these instruments that use inputs that have significant effect on the recorded fair values that are not based on oserved market data, they are classified as level 3

Tanga Cement Company was awarded prize by the NBAA for the Best Presented financial Statements 2010 in the manufacturing and distribution category. Receipt of this award for the third consecutive year is a reflection of our dedication to guality in everything from production to reporting

THE UNIVERSITY OF DODOMA - DODOMA

University of Dodoma is a public institution established in 2007. It is located at Chimwaga area about 8 kilometers East of Dodoma town center. The university is within Dodoma district and covers an area of about 15,000 acres (6,000 hectares).

Notice To Members

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

Notice is hereby given that the eighteenth Annual General Meeting of the shareholders of Tanga Cement Company Limited will be held at Hyatt Regency Dar es Salaam, The Kilimanjaro, on Friday 18 May 2012 at 14:00 hours, for the following purposes:

1. Notice of Meeting
Notice convening the meeting be taken as read.

2. Approval of Minutes
To approve and sign the minutes of the seventeenth Annual General Meeting held on 27 May 2011.

3. Financial Statements and Directors' Reports
To receive and adopt the Financial Statements and Directors' report for the year ended 31 December 2011.

4. Dividend for the year ended 31 December 2011
To approve the declaration of the dividend for the year ended 31 December 2011.

5. Appointment of Directors
To appoint new Directors to the Board.

6. Appointment of Statutory Auditors
To approve the appointment of the Statutory Auditors for the year ending 31 December 2012.

7. General
Any other business.

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

By order of the Board.

Company Secretary
16 April 2012

Taarifa Kwa Wanachama

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

Taarifa inatolewa kwa wanahisa kwamba Mkutano Mkuu wa Mwaka wa kumi na nane wa wanahisa wa Kampuni ya Tanga Cement utafanyika Hoteli ya Hyatt Regency Dar es Salaam, The Kilimanjaro, Ijumaa tarehe 18 Mei 2012 kuanzia saa 8 mchana kwa madhumuni yafuatayo:

1. Taarifa ya Mkutano
Taarifa ya kuitisha mkutano ichukuliwe kama inavyosomeka.

2. Kupitisha Kumbukumbu
Kupitisha na kusaini kumbukumbu za Mkutano Mkuu wa Mwaka wa kumi na saba uliofanyika tarehe 27 Mei 2011.

3. Taarifa za Fedha na Ripoti za Wakurugenzi
Kupokea na kupitisha Taarifa za Fedha na ripoti za Wakurugenzi kwa mwaka ulioishia tarehe 31 Desemba 2011.

4. Gawio kwa Mwaka Ulioishia tarehe 31 Desemba 2011
Kuidhinisha taarifa maalumu ya gawio kwa mwaka ulioishia tarehe 31 Desemba 2011.

5. Uchaguzi wa Wakurugenzi
Kuchagua Wakurugenzi wapya wa Bodi.

6. Uchaguzi wa Wakaguzi wa Hesabu Wanaokubalika Kisheria
Kuidhinisha uchaguzi wa wakaguzi wa hesabu wanaokubalika kisheria kwa mwaka unaoishia tarehe 31 Desemba 2012.

7. Majumuisho
Mengineyo.

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

Kwa agizo la Bodi.

Katibu wa Kampuni
16 Aprili 2012

REGISTERED OFFICE

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