



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



TANZANIA FISHERIES CORPORATION (TAFICO)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2023

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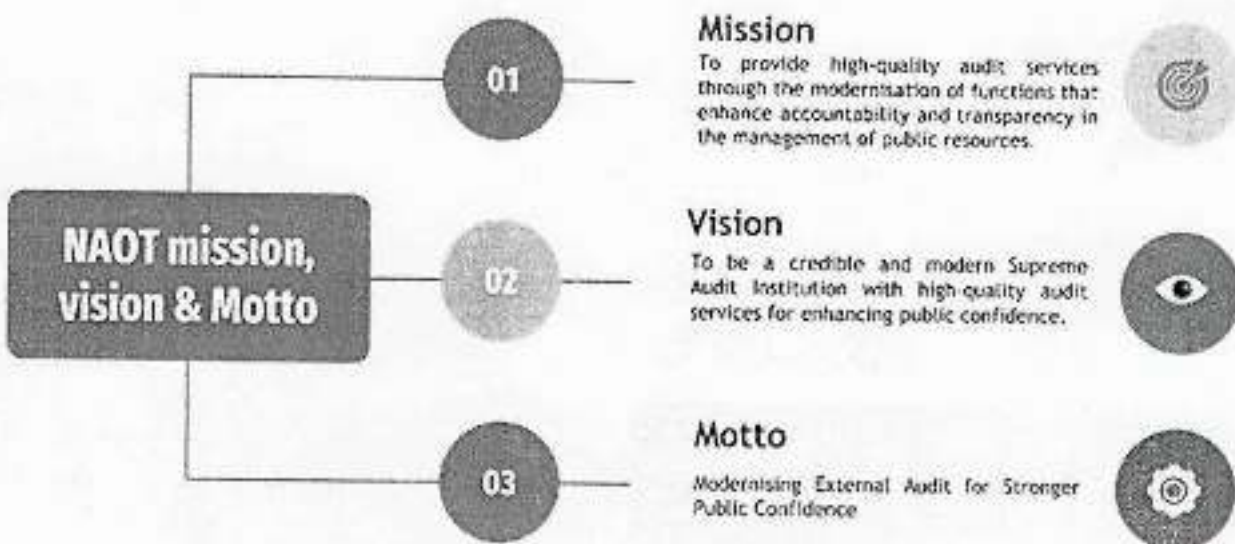
March 2024

AR/CG/TAFICO/2022/23

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap. 418 [R.E 2021].



Independence and objectivity

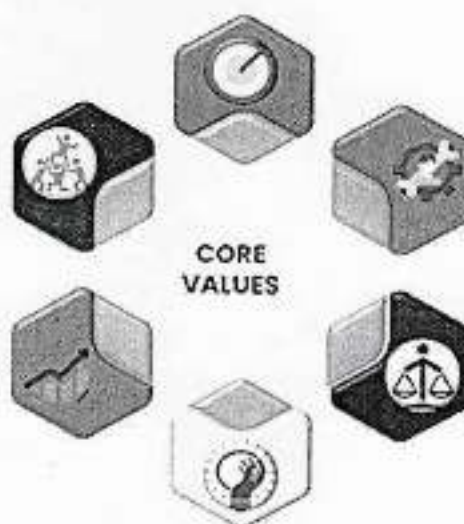
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

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Abbreviations

BMU	Beach Management Unit
CAG	Controller and Auditor General
CRMF	Corporate Risk Management Framework
CSR	Corporate Social Responsibility
EEZ	Economic Exclusive Zone
GCC	General Conditions of the Contract
GPSA	Government Procurement Service Agency
IFAD	International Fund for Agricultural Developments
IFRS	International Financial Reporting Standard
MoU	Memorandum of Understanding
MP	Member of Parliament
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
OC	Other Charges
PE	Personnel Emolument
PPR	Public Procurement Regulations of 2013
Reg.	Regulation
SCC	Special Conditions of the Contract
TAFICO	Tanzania Fisheries Corporation
TFRS	Tanzania Financial Reporting Standards
TZS	Tanzanian Shillings
WWF	World Wide Fund

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Board Chairperson
Tanzania Fisheries Corporation (TAFICO),
RAS Mkwavi, Ferry Street,
P.O. Box 2336,
17107 Kigamboni,
Dar es Salaam, Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Fisheries Corporation (TAFICO), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in net assets and Cash flow statement, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Fisheries Corporation (TAFICO) as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania Fisheries Corporation (TAFICO) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is

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

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap. 410 [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods, and services

I performed a compliance audit on the procurement of works, goods, and services in the Tanzania Fisheries Corporation (TAFICO) for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, procurement of goods, works and services of Tanzania Fisheries Corporation (TAFICO) is generally in compliance with the requirements of the Public Procurement laws.

- **Delay in testing and commissioning of 5 tons flake ice making machine without charging liquidated damage TZS 8,200,000**

Reg. 112 (1) and (2) of the PPR, 2013 requires a procurement entity to impose on a tenderer, liquidated damage for undelivered materials or goods, undelivered or delayed services or delayed works. The rates of liquidated damages per day shall be- (a) in the case of procurement of goods or materials, 0.10 to 0.20 percent of the contract value per day of delayed materials or goods, up to a sum equivalent to the amount of the performance guarantee.

Likewise, Clause 26 of the SCC and Clause 25.2 of the GCC of the contract No. AE/136/2022-2023/HQ/G/06/01 required the Liquidated Damages be charged at a rate of 0.1% per day for delayed goods/materials value and a maximum deduction is equal to 10% of the performance security.

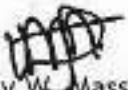
To the contrary, my review of procurement management found that, the liquidated damage of TZS 8,200,000 was not imposed for delay in delivery of goods within the agreed period.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

I performed a compliance audit on budget formulation and execution in the Tanzania Fisheries Corporation (TAFICO) for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Tanzania Fisheries Corporation (TAFICO) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.


Wendy W. Masoy
Ag. Controller and Auditor General,
Dodoma, United Republic of Tanzania.

March 2024



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2.0 FINANCIAL STATEMENTS

1. STATEMENT OF THE BOARD CHAIRPERSON

1.0 INTRODUCTION

On behalf of the TAFICO Board of Directors, I am pleased to present the corporation's financial statements for the financial year 2022/23. This is the first financial statement since TAFICO became operational on July 1, 2022.

The Financial Statements consist of the Report by Those Charged with Governance prepared in compliance with Tanzania Financial Reporting Standards (TFRS) No. 1, which was issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1st January 2021. Initially, this was known as the Director's Report. In addition, Financial Statements consist of a statement of financial position at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period, notes comprising material accounting policy information, and other explanatory information.

The Board is pleased to report that the financial statements present fairly, in all material respects, the financial position of the Corporation, and its financial performance and its cash flows for the year ended on 30th June 2023 in accordance with the International Financial Reporting Standards (IFRS). As well, the Corporation's procurement of goods, works and services was generally in compliance with the requirements of the Public Procurement Laws.

During the year 2022/23, the Corporation started to implement its first five years Corporate Strategic Plan (2021/22 - 2025/26). The Corporate strategic plan is aimed at providing stakeholders with an insight and understanding of the strengths, weaknesses, opportunities and challenges of TAFICO towards efficiency investment in fisheries and aquaculture production in the country. It also shows TAFICO's direction forward by transforming its mode of operations towards commercial fishing, processing, and aquaculture development in the country. Furthermore, the Five-Year Strategic Plan is guided by the Vision, 'To become a leading organization in efficient commercialization of Exclusive Economic Zone (EEZ) fisheries, aquaculture, and processing industries that contributes to the improvement of livelihoods and the national economy while conserving the environment'. TAFICO's Vision will be achieved through the implementation of the mandated business functions.

TAFICO, through fishing and aquaculture, will continue to make important contributions to the development and modernization of the fisheries sector and significantly contribute to building an industrial economy through strengthening

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collaboration with the private sector and other partners. During the financial year 2022/2023, the Board closely oversees the implementation of the 1st Five-Year Strategic Plan (2021/22 - 2025/26) in line with annual plans and budgets. The Board shall also continue to oversee the implementation of all key instruments necessary for the execution of the corporation's statutory functions and shall ensure the development of any additional required instruments for use.

Lastly, I would like to express gratitude on behalf of the Board of Directors to the Ministry of Livestock and Fisheries, as well as to all of the corporation's employees and stakeholders. Through support, input, cooperation, commitment, and dedication in the pursuit of a better Tanzania through better regulation and better terms and conditions of the Corporation's fisheries business, all of them have helped the Board fulfill its responsibilities. The Board's special tribute is extended to Her Excellency, Samia Suluhu Hassan, and the President of the United Republic of Tanzania, for her good leadership and strategic efforts to revive the national economy, and to Hon. Abdallah Hamis Ulega (MP) for his tireless efforts to improve the fisheries sector and increase its contribution to the national economy.

1.1 MEMBERSHIP AND COMMITTEES OF THOSE CHARGED WITH GOVERNANCE

The Members of the Board of Directors are appointed by the Minister responsible for Fisheries and the Chairperson is appointed by the President of the United Republic of Tanzania.

There are three committees currently assisting the TAFICO's Board of Directors in discharging its functions. These are Finance and Administration Committee; Audit and Risk Committee; and Operation and Investment Committee.

The following Directors served in the Board during the financial year 2022/23.

Table 1: Members of the Board of Directors

No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
1.	Prof. Yunus D. Mgaya	Chairperson	66	Male	Zoology, Fisheries and Marine Biology	17 th September, 2021	Tanzanian
2.	Ms. Prisca B. Lwangili	Vice Chairperson	42	Female	Political Science and Public Administration; and Human Resources Management	17 th September, 2021	Tanzanian
3.	Dr. Ellamini A. Kasembe	Member	59	Male	Marine Navigation with Marine Technology	17 th September, 2021	Tanzanian

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No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
4.	Mr. Saidi Meck Sadick	Member	77	Male	Administrator and Politician	17 th September, 2021	Tanzanian
5.	Dr. Oscar C. Kibazohi	Member	63	Male	Food Science and Technology	17 th September, 2021	Tanzanian
6.	Dr. Ismaeli A. Kimirei	Member		Male	Aquatic ecologist	17 th September, 2021	Tanzanian
7.	Com. Justine Japhet Sayi	Member	39	Male	Commerce and Accounting	17 th September, 2021	Tanzanian
8.	Mr. Derick A. Mushi	Member	39	Male	Financial analytics & modeling, Project finance and development finance, research, and debt capital markets	17 th September, 2021	Tanzanian
9.	Mr. Magese E. Bulayi	Member	60	Male	Zoology, Marine Biology and Microbiology	17 th September, 2021	Tanzanian
10.	Mr. Anthony R. Chayeka	Member	47	Male	Finance and Accounts	17 th September, 2021	Tanzanian

The Members of the Finance and Administration Committee that served during the year ended 30 June, 2023 were as follows:

Table 2: Members of the Finance and Administration Committee

No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
1.	Com. Justine Japhet Sayi	Chairperson	39	Male	Commerce in Accounting	5 th May, 2023	Tanzanian
2.	Ms. Prisca B. Lwangili	Member	42	Female	Political Science and Public Administration; and Human Resources Management	5 th May, 2023	Tanzanian
3.	Mr. Saidi Meck Sadick	Member	77	Male	Administrator	5 th May, 2023	Tanzanian

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No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
	Sadiki				and Politician		
4.	Dr. Ellamini A. Kassembe	Member	59	Male	Marine Navigation with Marine Technology	5 th May, 2023	Tanzanian
5	Mr. Daniel Ngari	Co-opted Member	60	Male	Commerce and Accounting	5 th May, 2023	Tanzanian

The Members of the Audit and Risk Committee that served during the year ended 30 June, 2023 were as follows:

Table 3: Members of the Audit and Risk Committee

No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
1.	Dr. Ismaeil A. Kimirei	Chairperson		Male	Aquatic ecologist	5 th May, 2023	Tanzanian
2.	Ms. Prisca B. Lwangili	Member	42	Female	Political Science and Public Administration; and Human Resources Management	5 th May, 2023	Tanzanian
3.	Com. Justine Japhet Sayi	Member	39	Male	Commerce and Accounting	5 th May, 2023	Tanzanian
4.	Dr. Mwamini Tulli	Co-opted Member	65	Female	Commerce and Accounting	5 th May, 2023	Tanzanian
5.	Mr. Fredrick Milanzi	Co-opted Member	42	Male	Accounting and Tax Management	5 th May, 2023	Tanzanian

The Members of the Operation and Investment Committee that served during the year ended 30 June, 2023 were as follows:

Table 4: Members of the Operation and Investment Committee

No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
1.	Mr. Derick A. Mushi	Chairperson	39	Male	Financial analytics & modeling, Project finance and development finance, research, and debt	5 th May, 2023	Tanzanian

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No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
					capital markets		
2.	Dr. Oscar C. Kibazohi	Member	63	Male	Food Science and Technology	5 th May, 2023	Tanzanian
3.	Dr. Eliamini A. Kasembe	Member	59	Male	Marine Navigation with Marine Technology	5 th May, 2023	Tanzanian
4.	Mr. Saidi Meck Sadiki	Member	77	Male	Administrator and Politician	5 th May, 2023	Tanzanian
5.	Dr. Siasa Issa Mzenzi	Co-opted Member	45	Male	Accounting, planning and Investment	5 th May, 2023	Tanzanian

(i) Meetings of Those Charged with Governance

The Board and its committees meet after every three months with additional meetings convened as and when necessary.

During the year ended 30 June 2023, the Board held (2) ordinary meetings. All members of the Board were able to substantially devote their time required for the Board meetings. The Committees were formed during the last Board meeting and hence no Committee's meetings conducted.

(ii) Secretary to the Board

The Head of Legal Services is the secretary to the Board. He is responsible for advising the Board on legal and corporate governance matters and, in liaison with the Chairperson, for ensuring good information flows between the Board, its Committees and Management. All members of the Board and Management have access to his legal advice and services.

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1.2 STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), National Board of Accountants and Auditors' (NBAA) Pronouncements and the requirements of the TAFICO Establishment order and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors accept responsibility for these 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, NBAA's. The Board of Directors are of the opinion that financial statements give a true and fair view of the state of the financial affairs of the Tanzania Fisheries Corporation and its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

BY ORDER OF THE BOARD



Prof. Yunus D. Mgaya
CHAIRMAN



Dennis K. Simba
CHIEF EXECUTIVE OFFICER

15.3.2024

DATE

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1.3 APPOINTMENT OF AUDITORS

In pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Sections 30 - 33 of the Public Audit Act No. 11 of 2008 mandates the Controller and Auditor General (CAG) as the statutory auditor of the Tanzania Fisheries Corporation.

The contact and other details about the Controller and Auditor General are as provided below:

National Audit Office,
Audit House, 4 Ukaguzi Road,

P.O. Box 950,
41101Tambukareli,

DODOMA, TA
NZANIA.

TIN Number: 104-961-444

Tel: 255 (026) 216 1200,

Fax: 255 (026) 211 7527,

E-mail:

ocag@nao.go.tz

Website:

www.nao.go.tz

1.4 RESPONSIBILITY OF THE EXTERNAL AUDITOR


The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Corporation present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard, the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Corporation of Tanzania Act, 2006. And whether the procurement transactions and processes have complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013 as amended in 2016.

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1.5 STATEMENT OF COMPLIANCE BY THOSE CHARGED WITH GOVERNANCE

In performing the activities of the Corporation, various laws and regulation having the impact on the Corporation's operations were observed. Moreover, this report has been prepared in full compliance with the Tanzania Financial Reporting Standard No. 1 requirements - The Report by Those Charged with Governance.

BY ORDER OF THE BOARD


Prof. Yunus D. Mgaya
CHAIRMAN


Dennis K. Simba
CHIEF EXECUTIVE OFFICER

15.3.2024

DATE

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2. STATEMENT OF THE CHIEF EXECUTIVE OFFICER

2.0 INTRODUCTION

The Corporation is pleased to present the 1st issue of its Financial Statements for the financial year 2022/23. The report provides the Corporation's operational performance for the year ended 30th June 2023.

Tanzania Fisheries Corporation (TAFICO) was established through Public Corporation Act No. 17 of 1969 that was published in the Government Gazette Notice No. 58 of 1st March 1974 under Government Order No. 11 of 14th February 1974. The Institute's vision and mission formulated to facilitate the implementation of the core functions activities as elaborated in the Institute's Strategic Plan 2021/22 - 2025/26. In the financial year 2022/2023 TAFICO implemented various activities that aimed at service provision and revenue generation from its project activities stipulated in the TAFICO business plans and Strategic Plan (2021/22 - 2025/26) as well as the Fisheries Sector Master Plan (2021/22 - 2036/37). Through donor-funded programs such as AFDP/IFAD and ESDP/Japan, TAFICO intends to purchase fishing vessels and also accomplish other projects like an ice-making plant, cold storage facilities, capacity building, and technical training for ship crew and staff to enable TAFICO's business operation and revenue earnings.

However, TAFICO is faced with some challenges, including a shortage of financial resources (funds) and a lack of experience in implementing PPP projects. These challenges may pose obstacles to TAFICO's ability to successfully execute PPP projects. The shortage of financial resources may limit the capacity to invest in necessary infrastructure and attract private sector partners. Additionally, the lack of experience in implementing PPP projects may hinder the ability to navigate complex contractual arrangements and effectively manage the collaboration between public and private entities.

TAFICO plans to resolve those challenges through the enhancement of private sector engagement in its various fisheries projects in the coming financial year 2023/24. Hence, a need for strong financial support from the Government, development partners, and the private sector.

TAFICO's approved budget for the 2022-2023 fiscal year was TZS 3,425,637,560. Of this, TZS 1,767,342,560 comprised of TZS 1,258,295,000 for Other Charges (OC) and TZS 509,047,560 for Personnel emoluments (PE). The TZS 200,000,000 budget was allocated for developments.

TAFICO spent a total of TZS 998,828,195/= in the year 2022/23 out of which TZS 7,430,000/= equivalent to 0.7% is for Capital expenditure, TZS 991,398,195/= equivalent to 99.3% is for Recurrent Expenditure, which constituted of Other Charges (OC) TZS 771,709,623/= and Personnel Emoluments (PE) totalling to TZS

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219,688,572/=. The Corporation also commenced the process of acquiring a five-ton flake ice plant; other projects were in the preparatory phases of execution. In this regard, the successful implementation of TAFICO activities depends on the availability of financial resources from both domestic and foreign sources. TAFICO will continue to solicit funds from different sources to enable the attainment of the intended objectives of its establishments.

In conclusion, I wish to extend my heartfelt and sincere gratitude to the Board of Directors for guidance, the Management Team for support and all staff for being loyal, dedicated and trustworthy in their areas of responsibilities. Furthermore, I wish to convey my sincere gratitude to the Minister of Livestock and Fisheries, Hon. Hon. Abdallah Hamis Ulega (Mp) and the Government of the United Republic of Tanzania under the good leadership of H.E. Samia Suluhu Hassan, the President of the United Republic of Tanzania for the trust bestowed upon us and providing us with all necessary guidance and support that accelerated these achievements.

We are dedicated to achieving our vision of being a leading organization in the efficient commercialization of Exclusive Economic Zone (EEZ), fisheries, aquaculture, and processing industries that contribute to the improvement of livelihoods and the national economy while conserving the environment.

2.1 NATURE OF CORPORATION

The Corporation exercises its mandates as provided in the Establishment Order No. 11 of 14th February 1974. It is the public corporation fully owned by the Government of Tanzania under the Ministry of Livestock and Fisheries entrusted with the duty of promoting the fisheries sector in the Country by undertaking large-scale commercial fishing projects in territorial waters, Exclusive Economic Zones (EEZ), and High Seas, also to engage in aquaculture activities in a large scale, that is the production of Fish, fingerlings and Fish feeds.

2.2 THE OPERATIONS OF THE CORPORATION

2.2.1 Principal Functions

The principal functions of the Corporation are as follows:

- a. To promote the development of the fishing industry;
- b. To fish, farm fish (aquaculture), buy, process, sell, prepare for market, import, export, all types of fish, fish products, aquatic flora and fauna and their products;
- c. To participate and encourage the establishment of national and international ventures with the object of improving the fishing industry and the marketing of fish, fish products, aquatic flora and fauna and their products;
- d. To participate and encourage the establishment of industries necessary for

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or expedient to the development of the fishing industry including fish processing, value addition, the manufacture of fishing vessels, gears, fish feeds and production of aquaculture seeds;

- e. To participate in or undertake, on a commercial basis, any enterprise rented to or connected with the fishing industry;
- f. To carry out and promote research in aspects of the fishing industry related to value addition and the marketing of fish, fish products, aquatic flora and fauna and their products;
- g. To manage the affairs of any Corporation, Company, Firm or other body, the interests, of which are transferred to or acquired by the corporation under the provisions of the Act or otherwise;
- h. To carry on its business operations and activities either within the United Republic or elsewhere, whether as principal, agent, contractor or otherwise, and either alone or in conjunction with any other persons firm or body corporate;
- i. To promote the interest and participation of local authorities, fisheries associations (e.g. BMU, Cooperative Societies, etc.), research, training and fisheries management initiatives in fishing industry;
- j. To do all such acts and things as may be necessary to uphold and support the credit of the Corporation and to attain and justify public confidence and to avert or minimize any loss to the Corporation; and

To do any act or thing or enter into any transaction which, in the opinion of the Board, is calculated to facilitate the proper and efficient carrying on of its activities and the proper performance of its functions

2.3 VISION, MISSION AND CORE VALUES

The Corporation's vision, mission and core values as provided hereunder;

2.3.1 Vision

The Corporation's vision is "To become a leading organization in efficient commercialization of Exclusive Economic Zone (EEZ) fisheries, aquaculture, and processing industries that contributes to the improvement of livelihoods and the national economy while conserving the environment."

2.3.2 Mission

The Corporation's mission is "To play a pivotal role in providing integrated support services for the development of the fisheries industry in Tanzania."

2.3.3 Core Values

The Corporation embraces the following core values, which are upheld by members of the Board of Directors and Employees;

- (i) **Integrity:** staff are committed to be fair and honest in dealing with

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- operations, customers and other stakeholders;
- (ii) **Customer First:** A customer is regarded as a business partner;
- (iii) **Safety:** Improving safety of human resource in the fishing industry remains 's top priority;
- (iv) **Results focus:** Staff are result-oriented in the discharge of mandate to achieve the corporate goals; and
- (v) **Resource Sustainability:** Staff is committed to sustainable utilization of the Fisheries Resources to maximize profit.

2.4 OBJECTIVES AND STRATEGIES

During the year under review, the Corporation completed its first year of the four-year Strategic Plan 2022/23 - 2026/27. The Plan has eight strategic objectives to be implemented for 5 years.

To facilitate the implementation of the five-year Strategic Plan, the corporate Strategic objectives and strategies were cascaded down to the units' level where short-termed action plans were developed in accordance with the units' mandate. The Medium term objectives and strategies as provided by the five-year Strategic Plan 2021/22 - 2025/26 are as follows:

- a) **Capacity of TAFICO to perform its functions improved:** This ensures that there are achievements of optimal services, sufficient capacity building in terms of human resources, modern equipment and other facilities, and also there is an urgent need to effectively strengthen the institutional Human Resource through on the job training. The training will generate well-trained, skilled and motivated staff to carry out the activities that are stipulated in the Strategic Plan.
- Strategies executed to achieve the strategic objective were as follows:
- (i) Develop and improve infrastructure and property, plant and equipment;
 - (ii) Develop, review and operationalized policies, regulations, strategies and guidelines;
 - (iii) Improve human resources capacity development and productivity;
 - (iv) Coordinate and conduct Board of Directors' Meetings, and other Statutory Meetings; and
 - (v) Enhance staff remuneration and motivation.

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b) Strengthen TAFICO's Sound Financial Resource Management and Accountability:

This aims at ensuring the availability of fiscal planning, revenue collection and accountability, debt management, Internal Control, procurement and Financial Reporting, there should also be a clearly stated operational budget that will serve as a guide for the entire fiscal year, there must be careful records of the inflow and outflow of cash in order to put a tight rein on any avenues for leakages that could push the corporate expenditure over the desired budget, there must be a clear plan for the use of the money as well as for the repayment of any loans to avoid any defaults,

Strategies executed to achieve the strategic objective were as follows:

- i. Have a clear financial management plan;
- ii. Monitor the Organizational financial position;
- iii. Ensure customers pay on time so as to have sound liquidity position;
- iv. Know the day-to-day costs, so as to control expenditures of the Corporation;
- v. Keep up-to-date accounting records.
- vi. Meet tax deadlines to avoid penalties in defaulting.
- vii. Become more efficient and control of overheads.
- viii. Control of Inventories.
- ix. Have procurement plan and to abide on it.
- x. Have good internal control,

c) Enhance Commercial Investment In Fishing and Aquaculture Production:

This entails the Commercial fishing and aquaculture in the new area that has emerged as an important economic activity in the fisheries industry to fill the gap of demand for fish; it also involved the processing and marketing of fish, fish products, aquatic flora and its products.

Strategies executed to achieve the strategic objective were as follows:

- (i) To carry on business operations and activities (To fish, farm fish (aquaculture), buy, process, sell, prepare for market, import, export, all types of fish, fish products, aquatic flora and fauna and their products) either within the United Republic or elsewhere, whether as principal, agent, contractor or otherwise, and either alone or in conjunction with any other persons, firm or body corporate.
- (ii) To design, make, maintain and repair fishing gear on land and on-board vessels; and
- (iii) To acquire required accessories for fishing gear.

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d) **Establish and Strengthen Mechanisms for Coordination, Communication and Collaboration with Stakeholders in The Fishing Industry:**

This entails the strong Public Relations and Communication functions to enhance communication with public especially potential customers and other stakeholders and hence create a supportive environment for business expansion.

Strategies executed to achieve the strategic objective were as follows:

- (i) Preparation and implementation of public relation and communication strategy
- (ii) Preparation of documentaries, advertisements and promotional materials
- (iii) Development and implementation of public relations and communication campaigns and strategies;
- (iv) Maintenance of corporate website and social media pages, mass media programmes.

2.5 CURRENT PERFORMANCE AND FUTURE DEVELOPMENT

2.5.1 Review of Current Performance

The Corporation commenced implementation of the 2022/23 - 2026/27 Strategic Plan which contains six strategic objectives geared towards achieving the Corporation mandate of promoting the fisheries sector in the Country through investment in large-scale commercial fishing projects in territorial waters, Exclusive Economic Zones (EEZ), and High Seas, and large scale investments in aquaculture .

During the implementation of the first year, the overall evaluation revealed considerable achievements as currently the Corporation dealing with in the infrastructure development and procurement of working tools and fishing Vessels.

TAFICO has approved budget of TZS 3,425,637,560/- whereby TZS 1,767,342,560/- are the budgets for Recurrent Expenditure which comprise of TZS 1,258,295,000 for other charges (OC) and TZS 509,047,560/- for Personnel emoluments (PE) and developments budgets were TZS 200,000,000/-, The Corporation has no internal generated funds (own sources) in this financial year.

TAFICO spent a total of TZS 998,828,195/= in the year 2022/23 out of which TZS 7,430,000/= equivalent to 0.7% is for Capital expenditure, TZS 991,398,195/= equivalent to 99.3% is for Recurrent Expenditure, which comprised of Other Charges (OC) TZS 771,709,623/- and Personnel Emoluments (PE) amounting to TZS 219,688,572/=. And also, the Corporation started the process of procurement of 5tons flake Ice plant; other projects were at initial stages of implementations.

During the year under review, the implementation of the plan are as follows:-

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- (i) Pre-feasibility study for deep sea fishing and fish processing study was conducted;
- (ii) TAFICO entered Memorandum of Understanding (MOU) with private investors to collaborate in fisheries and aquaculture projects;
- (iii) Procurement of ice plant and construction of associated infrastructure;
- (iv) TAFICO has social media pages (Facebook, Instagram.) established;
- (v) Fisheries investments opportunities were promoted at the Dar es Salaam International Trade fair (Sabasaba) Nanenane;
- (vi) The staff were provided with working tools;
- (vii) Office furniture were procured;
- (viii) The head office building rehabilitated;
- (ix) The registry was established and the staff was trained about filling system;
- (x) Information Communication Systems & Internet Installed at head office, Kigamboni Dar es Salaam; and
- (xi) The website and Government mail systems are under construction.

2.5.2 Future Plans of the Corporation

In its five-Year Strategic Plan 2022/23 - 2026/27, the Corporation aligns its vision and strategic objectives with the national priorities outlined in the National Development Vision 2025, National Fisheries Policy 2015, the National Five-Year Development Plan III (2021/22 - 2025/26), and the National Fisheries Sector Master Plan (2021/22 - 2036/37). The Corporation recognizes the main agenda of the Governments to sustain the country in the middle-income status and above. Among others, the agenda can be attained through having infrastructure of reducing post-harvest loss of fisheries products; in executing its mandate and achieve its expected results, the Corporation intends to achieve and accomplish the following in the coming five years:

- (i) To review the Tanzania Fisheries Corporation (TAFICO) Establishment Order, 1974;
- (ii) To facilitate the process of environment and socio-impact assessment (ESIA) for deep-sea fishing, cold storage, ice plant and fish processing plants;
- (iii) Procurement of five (5) fishing Vessels to enable the fishing in the Exclusive Economic Zone (EEZ);
- (iv) To Construct fish processing plant at Kilwa District in Lindi Region;
- (v) To procure and operate ice plant at Kigamboni District;
- (vi) To procure 10 tons refrigerated Trucks;
- (vii) To Construct fish Feed Mill at Lake Victoria basin in Mwanza; and
- (viii) To build storage facilities (cold rooms, and ice plants) in Kilwa, Tanga and Mtwara Region in order to minimize post-harvest loss of fishery and fishery products.

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2.5.3 Challenges Experienced in 2022/2023 and future strategies

Despite the performances described above the corporation faced the following challenges in implementing the work plan and budgets for the year 2022/23

- (i) Shortage of staff - The Management requested and continues to request staff from the Permanent Secretary of PO-PSMGG for TAFICO;
- (ii) Shortage of financial resources - The Management Continuing to request for enough funding from the Government, and preparing Concept Notes with PPP arrangement between Corporation and Private Sectors and submitting to Ministry of planning to request funding;
- (iii) Low awareness of Private sectors and financial institutions in investing on fisheries sector especially in Deep Sea Fishing - To convene financial institutions stakeholders' meeting and discussion on the fisheries opportunities that are found in TAFICO's Business Plan;
- (iv) Shortage of transport facilities for facilitating office activities - Requesting Funds for purchasing transport facilities in the prepared TAFICO budget of 2023/2024

2.6 POLITICAL, CHARITABLE CONTRIBUTIONS AND SUBSCRIPTIONS

During the year ended 30 June, 2023 there were no contribution and subscription made to political parties and charitable organization.

2.7 EMPLOYEES WELFARE

i) Management and Employees' Relationship

The Management and staff relationships continued to be cordial during the reporting period, no Employee complaints raised during the year.

ii) Staff Training and Development

The Corporation recognizes the role of its staff knowledge and skills in its operations and thus allocates resources in its budget to train and develop its staff through short term programmes and in-house trainings.

iii) Medical Assistance

The Corporation provides medical assistance to its staff and their dependents through the National Health Insurance Fund. During the year ended 30 June 2023, the National Health Insurance Fund provided these services.

2.8 STAFFING GENDER BALANCE

The Corporation, being an equal opportunity employer does not discriminate employees on the gender basis. The Corporation provides equal employment opportunities to men and women. The staffing gender balance as at 30th June 2023 is 81% male to 19% female, and the number of staff is only 11 (9 male and 2 Female). There is ongoing recruitment process hoping that the ratio is going to change in the favor of female.

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2.9 HIV/AIDS POLICIES

The corporation adopted the National Policy on HIV/AIDS of 2001 and the circulars issued from time to time, (for instance Circular No. 2 of 2006 from the President's Office Public Service Management and Good Governance-PO-PSMGG) which direct cares to person leaving with HIV/AIDS (PLHAs). These addressed as follows:-

- (i) People living with HIV/AIDS are entitled to all basic needs and all civil, legal, and human rights without any discrimination based on gender differences or sero-status.
- (ii) HIV infection shall not be grounds for discrimination in relation to education, employment, health and any other social services. Pre-employment HIV screening shall not be required. For persons already employed, HIV/AIDS screening, whether direct or indirect, shall not be required. HIV infection alone does not limit fitness to work or provide grounds for termination. HIV/AIDS patients shall be entitled to the social welfare benefits like other patients among the employees.
- (iii) HIV/AIDS information and education targeting the behavior and attitudes of employees and employers alike shall be part of HIV/AIDS intervention in the workplace.
- (iv) Measures to protect the public from transmission of HIV/AIDS at work place shall be instituted by the respective organizations

2.10 TRAINING POLICY

The Corporation is in the process of developing its own training programme for its employees, however, the corporation adopted the training policy for the Tanzania public service Employees; the policy states that

- (i) Ensure proper management and coordination of the training function in the public service;
- (ii) Ensure appreciation of the importance of training by employers;
- (iii) Mobilize and allocate resources for the training in the Public Service;
- (iv) Ensure that training programmes respond to the needs of different levels of public servants and contribute to the succession needs; and Groom and nurture potentials leaders at all levels in the public service and
- (v) Ensure Public Servants are retained after completion of training

2.11 RELATIONSHIP WITH STAKEHOLDERS

In the Five Years of TAFICO Strategic Plan 2022/23 - 2026/27 provides a comprehensive analysis of the TAFICO's key stakeholders. TAFICO recognizes the importance of addressing the needs of its key stakeholders in order to add value and satisfy their needs and expectations. The Corporation's key stakeholders include the Government, Ministries, MDAs, and other institutions, Development Partners (IFAD,

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World Bank, ESDP-Japan), Non-Governmental Organizations - NGOs (WWF, Tuna Alliance, Sea Sense); Staff and the public. TAFICO is committed to delivering value to its stakeholders through better services and good customer care while maintaining good relationship in its engagements.

2.12 CAPITAL STRUCTURE AND TREASURY POLICIES

Capital Structure

According to the Tanzania Fisheries Corporation (TAFICO) Establishment Order of 1974, the authorized nominal capital of the Corporation is TZS 20,000,000 divided into twenty thousand shares having a par value of one thousand shillings each. All the shares are held by the United Republic of Tanzania. The initial paid up capital of the corporation shall be such amount as the Minister may, after consultation with the Minister of Finance determine and such determination shall be published in the Gazette. For the year 2022/23 there is no paid-up share capital. Therefore, The Corporation's capital structure for the year ended 30 June 2023 consists of Accumulated Surplus of TZS 75,436,497.

2.13 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Directors takes final responsibility for the Effective risk management and internal controls systems of the Corporation. It is the management responsibility to ensure that adequate and internal financial and operational control systems are developed and maintained in order to provide reasonable assurance regarding:

- (a) The effectiveness and efficiency of operations;
- (b) The safeguarding of the Corporation's assets;
- (c) Compliance with applicable laws and regulations;
- (d) The reliability of accounting records;
- (e) Business sustainability under normal as well as adverse conditions; and
- (f) Responsible behaviours towards all stakeholders.

The risk management process is guided by the Corporate Risk Management Framework (CRMF) that nurture an integrated approach to the management of all risks inherent in the in the operations so that the Corporation can in turn attain its strategic objectives.

The efficiency of any internal Control system is dependent on the strict observance of prescribed measure. There is always a risk of non compliance with such measure by staff. Whilst no system of internal controls can provide absolute assurance against misstatement or losses, the organization system is designated to provide the Corporation's Board of Directors with reasonable assurance that the procedures in place operate effectively.

The Board of Directors assessed the internal control system throughout the financial year ended 30th June 2023 and is of the opinion that they met recognised criteria. The Board of Directors undertakes risks and internal control assessment through the Audit and Risk management Committee.

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2.13.1 Principal Risks and Uncertainties

During the year under review the Corporation faced the following risks:

i. Regulatory and Legal Risks

Regulatory and Legal risk arises from any uncertainty of enforceability, whether through legal or judicial processes, of the obligations of the Corporation's clients and counterparties, non-adherence to legislations, regulations, Government directives, and public or internal policies.

In mitigating this type of risk, the Corporation research and comply with all local, national, and international fishing regulations, obtain the necessary permits and licenses and establish strong relationships with local authorities and regulatory bodies to stay informed about any changes in laws and regulations.

ii. Environmental Risks

This risk associated with human activities; humans have relied on the ocean for subsistence by harvesting its abundance of fish. And new technologies have allowed humans to remove fish from the ocean on a massive scale to supply Earth's burgeoning population. Unfortunately, there are many negative environmental consequences to these practices and overfishing has been identified as a primary cause of ecosystem collapse in many aquatic systems.

In managing these risks, the Corporation Implement sustainable fishing practices to protect the marine ecosystem. Adhere to catch limits and avoid overfishing and invest in technologies that reduce bycatch and minimize environmental impact.

iii. Market Risks

These risks associated with the Corporation to produce too much or too little fish or fish related products to meet demand, resulting in lost profits and wasted sales opportunities

The risks can be managed by conducting thorough market research to understand demand and competition, to diversify the Corporation product offerings to reduce dependence on a single market. To build relationships with distributors and retailers to secure reliable markets for Corporation's catch.

iv. Economic Risks

These risks involved in investing in a business opportunity in an international market that arises from changes in sovereign policies, market fluctuations, and counterparty credit risks.

The risk can be mitigated by developing a comprehensive business plan that includes financial projections and risk assessments, establish financial reserves to cover unexpected expenses or downturns in the market. The Corporation will consider insurance options to protect against losses due to equipment damage or adverse weather conditions.

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v. Weather and Climate Risks

Risks related to weather and climate change, it includes hurricanes, tornadoes, thunderstorms, lightning, hail, winds, and winter weather, many of these phenomena are related to atmospheric conditions.

The Corporation addresses these risks by Monitoring weather patterns and invest in weather forecasting technology to plan fishing trips more effectively, developing a contingency plan for extreme weather events, such as hurricanes or storms and consider diversifying into fish farming or aquaculture to reduce dependence on wild catches.

vi. Infrastructure and Technology Risks

Risks arising from failure of software, hardware and IT infrastructure and other risks related to confidentiality, integrity and availability of information technology, and IT support services. The risk may result in failure of critical business applications, malicious software attacks and unauthorized access to Corporation's Information Technology assets and consequently disrupting business processes and adversely affecting the Corporation's reputation.

In managing these risks, the Corporation will invest in modern fishing vessels and equipment to enhance efficiency and safety. Regularly maintain and upgrade equipment to prevent breakdowns and develop backup plans for equipment failures.

vii. Safety Risks

Risks related to failure to implement safety programs to reduce occupational safety and health hazards.

The Corporation manages these risks through Prioritizing safety training and provides appropriate safety equipment to all crew members, follow strict safety protocols and emergency response plans and ensure that all crew members are well-trained in first aid and rescue procedures.

viii. Market Price Volatility

The risks resulted from price fluctuations of fish and fish related products.

The risks can be mitigated by diversify product offerings to include different fish species and products. The Corporation will consider value-added processing to reduce the impact of price fluctuations; it will also build long-term contracts with buyers to stabilize prices.

ix. Political and Social Risks

The risks can be caused by political instability and circumstances or situations that affect people's lifestyle and well-being.

The Corporation mitigates these risks through Staying informed about the political and social situation in the region, building strong relationships with

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local communities and engages in responsible corporate social responsibility (CSR) initiatives, and to be adaptable and prepared to navigate political changes.

x. Competition Risks

The risks related to failure to anticipate changes in the market.

The Corporation addresses these risks by differentiating their products by focusing on quality, sustainability, and traceability, continuously monitor its competitors and adjust its strategies accordingly, and invest in branding and marketing to build customer loyalty.

xi. Infrastructure and Logistics Risks

These risks cause by changes in transport cost, energy costs and infrastructure and services costs.

The Corporation mitigates these risks by developing a reliable supply chain and logistics network, investing in cold storage facilities to preserve the freshness of its catch, and ensure efficient transportation and distribution channels.

2.14 PREJUDICIAL ISSUES

During the year ended 30 June 2023, there were no prejudicial issues to report as required by Tanzania Financial Reporting Standard No. 1 - The Report by Those Charged with Governance.

2.15 THE CORPORATION TENDER BOARD

The tender board of the Corporation established on 28th November 2022. The Members of the Tender Board served the corporation during the year ended 30.06.2023 are.

Table 5: Members of the Tender Board

No.	Name	Position	Gender	Designation	Date of Appointment
1.	Mr. Fortunatus Mlwanda	Chairperson	Male	Head of Planning, Public and Private Partnership	28 th November, 2023
2.	Mr. Emmanuel Urembo	Secretary	Male	Head of Procurement Management Unit	28 th November, 2023
3.	Mr. Shaibu R. Matessa	Member	Male	Head Of Finance and Accounts Unit	28 th November, 2023
4.	Mr. Humphrey J. Mtuy	Member	Male	Head of Legal Units	28 th November, 2023
5.	Ms. Perpetua D. Masaga	Member	Female	Head of Public Relation and Communication Unit	28 th November, 2023
6.	Mr. Ahmed	Member	Male	Head of Corporate	28 th November,

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No.	Name	Position	Gender	Designation	Date of Appointment
	Byabato			Service Unit	2023

2.16 GOING CONCERN

The Corporation Management has made an assessment of the Corporation's ability to continue as a going concern. Management is satisfied that the Corporation has resources to continue in operation for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Corporation's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.


Dennis K. Simba

CHIEF EXECUTIVE OFFICER

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3. **DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2023**

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

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of the Corporation showing true and fair view of the Corporation's financial position and financial performance in accordance with applicable International Financial Reporting Standards, NBAA's pronouncements and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the statement of directors' responsibilities.

I, CPA Shaibu Ramadhani, being the Head of Finance and Accounts of the Tanzania Fisheries Corporation (TAFICO) hereby acknowledges my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with International Financial Reporting Standards, NBAA's Pronouncements.

I thus confirm that the financial statements give a true and fair view position of the Tanzania Fisheries Corporation (TAFICO) as on that date and that they have been prepared based on properly maintained financial records.



CPA Shaibu Ramadhani

**Manager - Finance
and Accounts**

NBAA Membership No.: ACPA 1803

22nd September 2023

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

OPENING IFRS STATEMENT OF FINANCIAL POSITION AS AT 1ST JULY 2022

	Previous GAAP TZS	2022 Effect of transition to IFRSs TZS	2022 IFRSs TZS
ASSETS			
Non-Current Assets			
Property Plant and Equipment	118,012,696,558	0.00	118,012,696,558
Total Non-Current Assets	<u>118,012,696,558</u>	<u>0.00</u>	<u>118,012,696,558</u>
Current Assets			
Cash and Cash Equivalent	204,594,264	0.00	204,594,264
Total Current Assets	204,594,264	0.00	204,594,264
TOTAL ASSETS	<u>118,217,290,822</u>	<u>0.00</u>	<u>118,217,290,822</u>
LIABILITIES			
Current Liabilities			
Deferred Income (Recurrent)	200,000,000	0.00	200,000,000
Special deposit funds	4,594,264	0.00	4,594,264
Total Current Liabilities	<u>204,594,264</u>	<u>0.00</u>	<u>204,594,264</u>
Non-Current Liabilities			
Deferred Income (Development)	118,012,696,558	0.00	118,012,696,558
TOTAL LIABILITIES	<u>118,217,290,822</u>	<u>0.0</u>	<u>118,217,290,822</u>
EQUITY			
The Authorized and Issued Share Capital of the Corporation	0.00	0.00	0.00
TOTAL EQUITY AND LIABILITIES	<u>118,217,290,822</u>	<u>0.0</u>	<u>118,217,290,822</u>

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

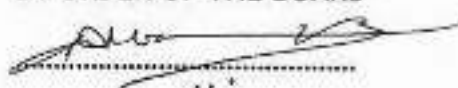
		2023
	NOTE	TZS
ASSETS		
Non-Current Assets		
Property Plant and Equipment	13	<u>118,066,552,087</u>
Total Non-Current Assets		<u>118,066,552,087</u>
Current Assets		
Cash and Cash Equivalent	14	75,945,626
Inventories	15	2,773,912
Receivables	16	24,678,600
Total Current Assets		103,398,138
TOTAL ASSETS		<u>118,169,950,225</u>
LIABILITIES		
Current Liabilities		
Payables and Accruals	17	<u>34,141,641</u>
Non-Current Liabilities		
Deferred Income (Development)	5	<u>118,060,372,087</u>
TOTAL LIABILITIES		<u>34,141,641</u>
EQUITY		
The Authorized Share Capital of the Corporation	18	0.00
Accumulated Surplus	19	<u>75,436,497</u>
Total Equity		75,436,497
TOTAL EQUITY AND LIABILITIES		<u>118,169,950,225</u>

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 30 JUNE 2023

		2023
	NOTE	TZS
REVENUE		
Other Income		
Subvention From the Central Government	4	991,398,195
Amortization of Deferred Grants	5	<u>77,252,472</u>
TOTAL REVENUE		<u>1,068,650,667</u>
EXPENSES		
Wages, salaries and employee benefits	6	330,525,372
Directors Fees & Other Board Expenses	7	72,022,110
Travelling, Training and Other Facilitation Expenses	8	405,761,034
Services, Supplies and consumable Expenses	9	100,594,703
Routine Repair and Maintenance Expenses	10	5,808,479
Depreciation of Property, Plant and Equipment	11	<u>78,502,471</u>
TOTAL EXPENSES		993,214,170
SURPLUSES		<u>75,436,497</u>

BY ORDER OF THE BOARD



Prof. Yunus D. Mgaya

CHAIRMAN



Dennis K. Simba

CHIEF EXECUTIVE OFFICER

15.3.2024

DATE

THE UNITED REPUBLIC OF TANZANIA
TANZANIA FISHERIES CORPORATION (TAFICO)
THE REPORT BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022/2023 TZS
Cash Flows From Operating Activities		
Receipts		
Subvention from Other Government Entities	22(a)	<u>991,398,195</u>
Total Receipts		<u>991,398,195</u>
Payments		
Wages, salaries and employee benefits	22(b)	330,525,372
Directors Fees & Other Board Expenses	22(c)	59,772,110
Travelling, Training and Other Facilitation Expenses	22(d)	400,193,034
Services, Supplies and consumable Expenses	22(e)	100,783,573
Routine Repair and Maintenance Expenses	22(f)	5,808,479
Advances to other government entities	22(g)	<u>10,940,000</u>
Total Payments		<u>908,022,569</u>
Net Cash Flows From Operating Activities (A)		<u>83,375,626</u>
Cash Flows from Investing Activities		
Acquisition of Property and Equipment's	13	<u>(7,430,000)</u>
Net Cash Flows From Investing Activities (B)		<u>(7,430,000)</u>
Cash Flows from Financing Activities		
Net Increase/ (Decrease) In Cash and Cash		
Equivalent During the Year (A+B)		<u>75,945,626</u>
Cash and Cash Equivalents at the Beginning of the year		<u>0</u>
Cash and Cash Equivalents at the End of the year	14	<u>75,945,626</u>

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FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2023

DESCRIPTIONS	RETAINED EARNINGS	TOTAL
	TZS	TZS
Surplus/(Deficit)for the year	<u>75,436,497</u>	<u>75,436,497</u>
As at 30.06.2023	<u>75,436,497</u>	<u>75,436,497</u>

BY ORDER OF THE BOARD



Prof. Yunus D. Mgaya
CHAIRMAN



Dennis K. Simba
CHIEF EXECUTIVE OFFICER

15.3.2024

DATE

THE UNITED REPUBLIC OF TANZANIA
TANZANIA FISHERIES CORPORATION (TAFICO)
THE REPORT BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

1. ESTABLISHMENT OF THE CORPORATION

The Tanzania Fisheries Corporation (TAFICO) is a public entity established under Public Corporation Act (CAP 257 R.E. 2010). TAFICO became in operational following a Government Notice No. 17 published on 1st March 1974.

The Head Office address of the Corporation during the year was:
Ras Mkwavi, Ferry Street,
P. O. Box 2336,
17107 Kigamboni,
Dar es Salaam, Tanzania.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis except where otherwise stated or as required by International Financial Reporting Standards and Interpretations to those Standards for assets and liabilities to be stated at their fair value as disclosed in the accounting policies hereafter. The financial statements are presented in Tanzanian Shillings where clearly stated.

2.2 Statement of compliance

The financial statements of Tanzania Fisheries Corporation (TAFICO) have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) as far as they are practically applicable to TAFICO and comply with the requirement of TAFICO Establishment Order.

2.3 Revenue

Revenue of the Corporation comprises of Government subvention for recurrent and development expenditure. Subvention and grants for recurrent expenditure are accounted for as revenues in the year they are spent, and for capital expenditures are accounted for as deferred revenues and amortized over the life span of the financed non-Current assets. For the year 2022/23 the subvention received from the Government is TZS 991,398,195.

2.4 Government Grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Corporation will comply with the conditions attached. Grants relating to income are deferred and recognized

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in the Statement of Profit or Loss and Other comprehensive income over the period necessary to match them with the related costs that they are intended to compensate or when recurrent expenditure is incurred and when attached conditions are met. Grants relating to non-monetary assets are recognized as deferred income in the Statement of Financial Position and are released to the Statement of Financial Performance over the useful life of the respective non-monetary assets. The net book value of non-monetary grants during the year amounted to TZS 118,060,372,087.

2.5 Functional and Presentation Currency

The Financial statements are presented in Tanzanian Shillings which is the Corporation' functional and presentation currency.

2.6 Employees Benefits

The Corporation has a defined benefit contribution schemes with the Public Service Social Security Funds (PSSSF). These are the defined contribution schemes under Which the Corporation pays a fixed contribution as per the rates set by the laws establishing the Funds. The Corporation has no legal or constructive obligation if the Funds do not have sufficient assets to pay all the employees benefits relating to the employees' service in the current and prior period. Also, the Corporation is a member of National Health Insurance Funds (NHIF) whereby it Contributes 3% of the employees' basic salary to the Fund for the provision of employees' medical services.

2.7 Inventories

The Corporation does not own inventories in the statement of financial position. Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Writing down of values of inventories is made for slow moving and obsolete inventories. The Inventories comprise mainly the Advance to GPSA for procurement of fuel for office Vehicles as at 30th June, 2023 amounted to TZS 2,773,912/-

2.8 Cash and Cash Equivalents

The Cash and Cash Equivalents are carried in the Statement of Financial position at fair value. For the purpose of Cash flow Statements, Cash and Cash equivalents comprise of the cash on hand and Bank deposits that existed as at the year end. The cash and cash equivalent amounted to TZS 75,945,626/-.

2.9 Receivables

The Receivables are initially recognized at fair value and subsequently measured at cost less provision for impairment, specific provision is made in the account against Receivables when it is not possible to collect all amount due according to the original

THE UNITED REPUBLIC OF TANZANIA
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claims. The amount of the provision if any is recognized in the Statement of Profit or Loss and Other comprehensive income. Subject to the approval of the Board of Directors, bad debts may be written off after all measures have been taken to recover them. The Receivables comprise mainly with the unretired imprest and funds borrowed by the Parent Ministry for Burial Grants. The amount of receivables are TZS 24,678,600/-

2.10 Payables and Accruals

Account payable is classified as current liabilities if payment is due one year or less (or in nominal operating cycle of the business if longer), if not they are presented as non-current liabilities. Payables are recognized initially at fair value and subsequently carried at amortized cost using effective interest method. The payables comprise of unpaid withholding taxes, Directors fees, and disturbance allowance and audit fees as at 30th June, 2023. The amount of payables and Accruals as at 30.06.2023 amounted to TZS 34,141,641/-

2.11 Property, Plant and Equipment

Property, Plant and Equipment were initially recorded at construction, acquisition or purchase cost plus direct attributable cost and subsequently were shown at fair value based on valuation carried out in June 2017 by the external independent Valuer, less subsequent depreciation.

Subsequent costs are included in the assets carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Corporation and the cost can be measured reliably. Repairs and

Maintenance are charged to the Statement of Profit or Loss and Other comprehensive income during the financial period in which they were incurred. The net value of Property Plant and Equipment as at 30.06.2023 amounted to TZS 118,066,552,087/-

2.12 Depreciation

Depreciation is provided on a straight-line method to write off the cost of non-current assets to its residual value over its estimated useful economic life. Annual depreciation rates applied in the 2022/2023 are as follows: -

Particulars	Useful life
Office Buildings and Structures	50 years
Hardware: Servers and Equipment (Incl. Desktops, Laptops, and UPS etc.)	4 years
Furniture and fittings	5 years
Equipment	7 years

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Land is not depreciated.

The total depreciation for the year amounted to TZS 78,502,471/-.

Property, plant and equipment acquired during the year are depreciated in full when they are available for use and cease to be depreciated at earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized. Assets that have indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairments whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount.

2.13 Retained Earnings

The retained Earnings represent accumulated undistributed and unallocated net surplus created during the years. The net surplus during the year is TZS 75,436,497/-

3. Critical Accounting Estimates and Judgments

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

The organization is making estimates and assumptions concerning the future. The Estimates and assumptions that have significant risk are addressed below:

3.1 Property, Plant and Equipment and Depreciation

Critical estimates are made in Accordance with accounting circular No.2 of 2017/18 in determining depreciation rate for Property, Plant and Equipment and their residual values.

4. Subvention from the Central Government	TZS
Other Charges	771,709,623
Personal Emoluments	<u>219,688,572</u>
Total	<u>991,398,195</u>

5. Deferred Income (Development)	TZS
Deferred Income (Development)-Subvention	118,012,696,558
Capital Grants from the Central Government	
Renovation of Office Building - ASDP II	54,928,000
Procurement of Office Furniture - ESDP	<u>70,000,000</u>
Total	<u>118,137,624,558</u>

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Less: Amortization	<u>(77,252,471)</u>
Net Book Value	<u>118,060,372,087</u>

The Capital Grants from the Central Government consists of the Non-Current Assets situated in Dar es Salaam Region which have been measured at fair value, the Corporation owns other Non-Current Assets in upcountry regions (i.e. Mwanza, Coast Region, Tanga, Ruvuma, Lindi and Mtwara), and the plan is underway to make revaluation of those Non-Current Assets.

The lists of Non-Current Assets constitute those capital grants are as follows: -

Land: -	TZS
Plot No. 4 Block "D" Ras Mkwavi Kurasini	107,322,632,000
Plot No. 24030 Kurasini	4,382,469,000
Plot No. 13 Ursino North	2,199,900,000
Plot No. 9 Mbozi Road Chang'ombe	<u>1,000,000,000</u>
Sub Total	114,905,001,000

Buildings and structures on:-	TZS
Plot No. 4 Block "D" Ras Mkwavi Kurasini	1,322,420,140
Plot No. 24030 Kurasini	601,709,055
Plot No. 300/3001 at Upanga Al hasani	593,000,000
Mwinyi Road	
Block No. 5 Title No. 18617/43/16 Upanga	182,000,000
Ally Khan Road	
Plot No. 13 Ursino North	141,380,212
Plot No. 9 Mbozi Road Chang'ombe	<u>267,186,150</u>
Sub Total	<u>3,107,695,557</u>
Grand Total	<u>118,012,696,558</u>
During the financial year ended 30 June 2023, additional are	<u>124,928,000</u>
Total at 30. 06. 2023	<u>118,137,624,558</u>

6. Wages, Salaries and Employee benefits expense

Casual Labourers	16,454,000
Civil Servants	185,391,200
Court Attire Allowance	1,000,000
Extra-Duty	31,920,000

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Internship allowance	3,600,000
Furniture Allowances	18,000,000
Housing Allowance	16,600,000
Telephone Allowance	6,700,000
Electricity Allowance	7,760,000
Leave Travel	3,234,800
National Health Insurance Schemes (NHIF)	5,561,736
Workers Compensation Fund (WCF)	926,956
Public Service Social Security Fund (PSSSF)	27,808,680
Disturbance Allowances	<u>5,568,000</u>
Total	<u>330,525,372</u>

7. Directors Fees and other Board Expenses

Directors Fees	56,500,000
Per Diem Domestics	5,925,000
Air travel ticket-Domestic	644,110
Ground Transport	780,000
Diesel	2,373,000
Conference Facilities	200,000
Food and Refreshments	1,200,000
Office Consumables (papers, pencils, pens and stationaries)	1,500,000
Rent of Vehicles and Crafts	500,000
Presentation Fees	<u>2,400,000</u>
Total	<u>72,022,110</u>

8. Travelling, Training and other Facilitation Expenses

Air travel ticket-Domestic	6,748,155
Moving Expenses	97,703,000
Sitting Allowance	10,400,000
Diesel	5,103,713
Ground Transport (Bus, Train, Water)	766,000
Ground travel (bus, railway taxi, etc)	2,594,500
Per Diem - Domestic	248,777,666
Tuition Fees	6,686,000

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Travelling Allowances	1,542,000
Transport Allowance	<u>5,440,000</u>
Total	<u>405,761,034</u>

9. Services, Supplies and Consumables Expenses

Cleaning Supplies	<u>789,000</u>
Computer Supplies and Accessories	3,232,500
Conference Facilities	1,050,000
Electricity charges	3,400,000
Exhibition, Festivals and Celebrations	17,355,000
Food and Refreshments	10,372,900
Internet and Email connections	3,133,000
Mobile Charges	300,000
Office Consumables (papers, pencils, pens and stationaries)	12,021,868
Outsourcing Costs (includes cleaning and security services)	14,751,570
Audit fees	12,890,625
Audit supervision expenses	2,109,375
Sundry Expenses	5,445,700
Funeral Expenses	2,000,000
Petrol	28,090
Posts and Telegraphs	210,000
Subscription Fees	260,000
Uniforms and Ceremonial Dresses	1,000,000
Water Charges	2,504,790
Consultancy fees	6,643,268
Bank Charges and Commissions	<u>1,097,017</u>
Total	<u>100,594,703</u>

10. Routine Repair and Maintenance Expenses

Computers, printers, scanners, and other computer related equipment	700,000
Direct labor (contracted or casual hire)	300,000
Electrical and Other Cabling Materials	635,000
Motor Vehicles and Water Craft	1,703,479
Pipes and Fittings	<u>2,470,000</u>
Total	<u>5,808,479</u>

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11. Depreciation of Property, Plant and Equipment

Hardware: servers and equipment (incl. desktops, laptops, UPS etc.)	660,000
Office buildings and structures	15,265,076
Commercial Building	29,659,790
Town houses and apartments	18,327,604
Office Furniture and Fittings	14,000,000
Office equipment	<u>590,000</u>
Total	<u>78,502,471</u>

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12. Reconciliation Of Net Cash Flows from Operating Activities

Cash Flows from Operating Activities		75,436,497
Surplus/ (Deficit) Before Tax		
Adjustments for Items Not Involving the Movement of Cash		
Amortization of Deferred Grants	5	(77,252,471)
Depreciation Expenses	11	<u>78,502,471</u>
Net Cash Flows Before Changes in Working Capital		<u>76,686,497</u>
Changes In Working Capital Items:		
(Increase)/Decrease in Trade and Other Receivables		(27,452,512)
Increase/(Decrease) in Trade and Other Payables		<u>34,141,641</u>
Net Cash Flows from Operating Activities (A)		<u>83,375,626</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023 (CONTINUED)									
NOTE 13: Property Plant and Equipment									
PARTICULARS	Acquisition of land	Hardware: servers and equipment (incl. desktops, laptops, UPS etc.)	Office buildings and structures	Commercial Building	Town houses and apartments	Office Furniture and Fittings	Office equipment	Totals	
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COSTS/VALUATION									
As at 01 July 2022	114,905,001,000	0.00	708,325,821	1,482,989,524	916,380,212	0.00	0.00	118,012,696,558	
Addition Monetary during the year	0.00	3,300,000		0.00	0.00	0.00	4,130,000	7,430,000	
Addition Non-Monetary during the year	0.00	0.00	54,928,000.00	0.00	0.00	70,000,000		124,928,000	
Cost/Revaluation as at 30 June 2023	114,905,001,000	3,300,000	763,253,821	1,482,989,524	916,380,212	70,000,000	4,130,000	118,145,054,558	
ACCUMULATED DEPRECIATION									
As at 01 July 2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	
Depreciation Charge during the year	0.00	660,000	15,265,076	29,659,790	18,327,604	14,000,000	590,000	78,502,471	
Accumulated Depreciation as at 30 June 2023	0.00	660,000	15,265,076	29,659,790	18,327,604	14,000,000	590,000	78,502,471	
Carrying Value at 30 June 2023	114,905,001,000	2,640,000	747,988,745	1,453,329,734	898,052,608	56,000,000	3,540,000	118,066,552,087	

The Non Current Assets Consists only those non movable Assets in Dar es Salaam Region. Those Assets in upcountry Regions will be revalued after completion of the exercise of the identification and verification of those Assets to proving ownership.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023
(CONTINUED)

14. Cash and Cash Equivalent

CRDB Account	<u>75,945,626</u>
Total	<u>75,945,626</u>

15. Inventories

Advance to GPSA for Fuel for Office use	<u>2,773,912</u>
Total	<u>2,773,912</u>

16. Receivables

Staff advances and imprest	13,738,600
Advances to other government entities	<u>10,940,000</u>
Total	<u>24,678,600</u>

17. Payables and Accruals

Directors Fees	12,250,000
Withholding Taxes	1,323,641
Disturbance Allowances	5,568,000
Audit Fees	12,890,625
Audit Supervision Expenses	<u>2,109,375</u>
Total	<u>34,141,641</u>

18. The Authorised Share Capital

According to the Tanzania Fisheries Corporation (TAFICO) Establishment Order of 1974, the authorised nominal capital of the Corporation is TZS 20,000,000/- divided into twenty thousand shares having a par value of one thousand shillings each. All the shares are held by the United Republic of Tanzania. For The year 2022/23 there is no paid up share capital.

19. Retained earnings

Balance at Beginning of the Year	-
Add/(Less) Surpluses/(deficits) for the Period	<u>75,436,497</u>
Balance at End of the Year	<u>75,436,497</u>

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20. Related Party Disclosures

In the course of its operations, the Corporation enters into transactions with related parties, which include the Directors and key management personnel. The related party transactions during the year 2022/23 are as follows:

Directors Remuneration	65,398,000
Key Management Staff Salaries, allowances and benefits	<u>225,059,200</u>
Total	<u>290,457,200</u>

Related Party Transactions include Key Management Staff Salaries, allowances and benefits and payments made to board members in respect of directors fees, transport and night allowances.

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**21. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2023 and The
Explanations of Variances between Budget and Actual Amounts**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023						
DESCRIPTIONS	BUDGET AMOUNTS			Actual on Comparable Basis	Differences Between Final Budget Vs Actual	Percentage Performance
	Original Budget	Adjustments	Final Budgets			
REVENUE						
Receipts from Non Exchange Transactions						
Receipts from Government Grants (Subvention From the Central Government)	407,746,000	1,359,596,560	1,767,342,560	991,398,196	(775,944,364)	
TOTAL REVENUE	407,746,000	1,359,596,560	1,767,342,560	991,398,196	(775,944,364)	-43.9%
EXPENSES						
DESCRIPTIONS	Original Budget	Adjustments	Final Budgets	Actual on Comparable Basis	Differences Between Final Budget Vs Actual	
Wages, salaries and Employees Benefits Expenses						
Casual Labourers	3,600,000	5,400,000	9,000,000	16,454,000	7,454,000	
Civil Servants	-	429,576,000	429,576,000	185,391,200	(244,184,800)	
Court Attire Allowance	-	-	-	1,000,000	1,000,000	

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023						
DESCRIPTIONS	BUDGET AMOUNTS			Actual on Comparable Basis	Differences Between Final Budget Vs Actual	Percentage Performance
	Original Budget	Adjustments	Final Budgets			
Extra-Duty	24,900,000	-	24,900,000	31,920,000	7,020,000	
Internship Allowance	-	-	-	3,600,000	3,600,000	
Furniture Allowance	-	66,000,000	66,000,000	18,000,000	(48,000,000)	
Housing Allowance	36,000,000	14,400,000	50,400,000	16,600,000	(33,800,000)	
Telephone Allowance	13,800,000	4,320,000	18,120,000	6,700,000	(11,420,000)	
Electricity Allowance	17,280,000	7,440,000	24,720,000	7,760,000	(16,960,000)	
Leave Travel	9,500,000	8,400,000	17,900,000	3,234,800	(14,665,200)	
National Health Insurance Fund (NHIF)	-	12,887,280	12,887,280	5,561,736	(7,325,544)	
Workers Compensation Funds (WCF)	-	2,147,880	2,147,880	926,956	(1,220,924)	
Public Service Social Security Fund (PSSSF)	-	64,436,400	64,436,400	27,808,680	(36,627,720)	
Disturbance Allowances	-	-	-	5,568,000	5,568,000	
Gifts and Prizes	-	1,000,000	1,000,000		(1,000,000)	
Subsistence Allowance	4,920,000	-	4,920,000		(4,920,000)	

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023						
DESCRIPTIONS	BUDGET AMOUNTS			Actual on Comparable Basis	Differences Between Final Budget Vs Actual	Percentage Performance
	Original Budget	Adjustments	Final Budgets			
Presentation Fees	-	-	-	2,400,000	2,400,000	
SUB TOTALS	110,000,000	616,007,560	726,007,560	332,925,372	(393,082,188)	-54.1%
Directors Fees					-	
Directors Fees	88,000,000	66,000,000	154,000,000	56,500,000	(97,500,000)	
SUB TOTALS	88,000,000	66,000,000	154,000,000	56,500,000	(97,500,000)	-63.3%
Travelling, Training and other Facilitation Expenses						
Air Travel Tickets- Domestic	2,500,000	4,200,000	6,700,000	7,392,265	692,265	
Moving Expenses	-	83,000,000	83,000,000	97,703,000	14,703,000	
Sitting Allowance	12,000,000	7,100,000	19,100,000	10,400,000	(8,700,000)	
Diesel	21,216,000	66,689,000	87,905,000	27,476,713	(60,428,287)	
Ground travel (bus, Train, Water, etc)	-	-	-	766,000	766,000	
Ground travel (bus, railway taxi, etc)	19,800,000	2,600,000	22,400,000	3,374,500	(19,025,500)	

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023					
DESCRIPTIONS	BUDGET AMOUNTS			Actual on Comparable Basis	Differences Between Final Budget Vs Actual
	Original Budget	Adjustments	Final Budgets		
Per Diem - Domestic	37,400,000	170,560,000	207,960,000	254,702,666	46,742,666
Tuition Fees	-	-	-	6,686,000	6,686,000
Travelling Allowances	-	-	-	1,542,000	1,542,000
Transport Allowances	-	-	-	5,440,000	5,440,000
SUB TOTALS	92,916,000	334,149,000	427,065,000	415,483,144	(11,581,856)
Service, Supplies and Consumable expenses					
Cleaning Supplies	-	-	-	789,000	789,000
Computer Supplies and Accessories	2,100,000	2,400,000	4,500,000	3,232,500	(1,267,500)
Conference Facilities	-	1,600,000	1,600,000	1,250,000	(350,000)
Electricity Charges	6,000,000	3,000,000	9,000,000	3,400,000	(5,600,000)
Exhibition, Festivals and Celebrations	-	-	-	17,355,000	17,355,000
Food and Refreshment	18,800,000	25,250,000	44,050,000	11,572,900	(32,477,100)
					-2.7%

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DESCRIPTIONS	BUDGET AMOUNTS			Actual on Comparable Basis	Differences Between Final Budget Vs Actual
	Original Budget	Adjustments	Final Budgets		
Internet and Email connections	3,600,000	3,000,000	6,600,000	3,133,000	(3,467,000)
Mobile Charges	-	-	-	300,000	300,000
Office Consumables (papers, pencils, pens and stationaries)	7,700,000	6,100,000	13,800,000	13,521,868	(278,132)
Outsourcing Costs (includes cleaning and security services)	43,200,000	-	43,200,000	14,751,570	(28,448,430)
Audit fees	-	-	-	12,890,625	12,890,625
Audit supervision expenses	-	-	-	2,109,375	2,109,375
Sundry Expenses	-	-	-	5,445,700	5,445,700
Funeral Expenses	-	-	-	2,000,000	2,000,000
Petrol	-	-	-	28,090	28,090
Posts and Telegraphs	600,000	-	600,000	210,000	(390,000)
Subscription fees	900,000	650,000	1,550,000	260,000	(1,290,000)

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023					
DESCRIPTIONS	BUDGET AMOUNTS			Actual on Comparable Basis	Differences Between Final Budget Vs Actual
	Original Budget	Adjustments	Final Budgets		
Uniforms and Ceremonial Dresses	-	-	-	1,000,000	1,000,000
Water Charges	3,600,000	-	3,600,000	2,504,790	(1,095,210)
Consultancy fees	1,000,000	4,500,000	5,500,000	6,643,268	1,143,268
Bank Charges and Commissions	-	-	-	1,097,017	1,097,017
Advertising and publication	2,350,000	-	2,350,000	-	(2,350,000)
Entertainment	1,200,000	-	1,200,000	-	(1,200,000)
News Papers and Magazines	480,000	1,800,000	2,280,000	-	(2,280,000)
Outsource maintenance contract services	3,600,000	-	3,600,000	-	(3,600,000)
Printing and Photocopying Cost	5,000,000	5,140,000	10,140,000	-	(10,140,000)
Special Foods	3,600,000	-	3,600,000	-	(3,600,000)
Reports and documents	1,000,000	3,500,000	4,500,000	-	(4,500,000)

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023						
DESCRIPTIONS	BUDGET AMOUNTS			Actual on Comparable Basis	Differences Between Final Budget Vs Actual	Percentage Performance
	Original Budget	Adjustments	Final Budgets			
Telephone Charges (Land Line)	1,200,000	-	1,200,000	-	(1,200,000)	
SUB TOTALS	105,930,000	56,940,000	162,870,000	103,494,703	(59,375,297)	-36.5%
Routine Repairs and Maintenance Expenses						
Computers, printers, scanners, and other computer related equipment	-	1,000,000	1,000,000	700,000	(300,000)	
Direct labour (contracted or casual hire)	-	-	-	300,000	300,000	
Electrical and Other Cabling Materials	-	-	-	635,000	635,000	
Motor Vehicles and Water Craft	7,200,000	1,500,000	8,700,000	2,203,479	(6,496,521)	
Pipes and Fittings	-	-	-	2,470,000	2,470,000	
Tires and batteries	2,200,000	-	2,200,000		(2,200,000)	
SUB TOTALS	9,400,000	2,500,000	11,900,000	6,308,479	(5,591,521)	-47.0%
Acquisition of Assets and Depreciation						

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023					
DESCRIPTIONS	BUDGET AMOUNTS			Actual on Comparable Basis	Differences Between Final Budget Vs Actual
	Original Budget	Adjustments	Final Budgets		
Procurements of Non-Current Assets	1,500,000	284,000,000	285,500,000	-	(285,500,000)
Depreciation for the year	-	-	-	1,250,000	1,250,000
TOTALS	1,500,000	284,000,000	285,500,000	1,250,000	(284,250,000)
TOTAL EXPENSES	407,746,000	1,359,596,560	1,767,342,560	915,961,698	(851,380,862)
SURPLUS/(DEFICIT) FOR THE YEAR			-	75,436,498	75,436,498
					4.3%

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The explanations of Variance between Budget and Actual Amounts

S/No.	Type of Budget Items	Performance Percentage	Explanations
1.	Receipts from Government Grants (Subvention from the Central Government)	(43.9%)	The deficit is attributed by non-disbursements of funds from the Treasurer (Central Government), the Personal emoluments (PE) TZS 289,358,988/- and Other Charges (OC) TZS 486,585,417/-
2.	Wages, salaries and Employees Benefits Expenses	(54.1%)	Saving is attributed to non-recruitment of expected additional staff especial managerial posts. Hence there was a saving of salaries (civil servants) and contribution of employer to the insurance and security funds for those staff, and also there was savings on statutory allowances such as furniture allowances, House allowances, telephone and electricity allowances
3.	Directors Fees	(63.3%)	The savings attributed to the changes of Board fees rate for the Corporation Directors made by the Treasurer Registrar from that of commercial entities to the other entities (12mil to 7mil for Board Chairperson and 10mil to 6mil for Members), and also two Board members dropped to be a member, one due to conflict of interest caused by his position held and the other one retired from the position held that caused him to be a Board member.
4.	Travelling, Training and other Facilitation Expenses	(2.7%)	The savings attributable to the less usage of Diesel, ground travel funds, and sitting allowances allocated funds.
5.	Service, Supplies and Consumable expenses	(36.5%)	The savings attributable to the effective expenditure controls and use of consumables, and also the private company undertaking cleaning services was paid by the parent Ministry.
6.	Routine Repairs and	(47.0%)	The savings attributed to the late

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	Maintenance Expenses		acquisition of Motor vehicles and other office equipments that may need repairs and maintenance.
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22. Cash flow generated from operations

(a) Subvention from Other Government Entities

At start of the year	0.00
Reported to the statement of financial performance	991,398,195
Balance reported to payables	0.00
Cash Received during the year	991,398,195

(b) Wages, salaries and employee benefits

At start of the year	0.00
Reported to the statement of financial performance	330,525,372
Balance reported to payables	0.00
Cash paid during the year	330,525,372

(c) Directors Fees & Other Board Expenses

At start of the year	0.00
Reported to the statement of financial performance	72,022,110
Balance reported to payables	(12,250,000)
Cash paid during the year	59,772,110

(d) Travelling, Training and Other Facilitation Expenses

At start of the year	0.00
Reported to the statement of financial performance	405,761,034
Balance reported to payables	(5,568,000)
Cash paid during the year	400,193,034

(e) Services, Supplies and consumable Expenses

At start of the year	0.00
Reported to the statement of financial performance	100,594,703
Balance reported to Receivables	16,512,512
Balance reported to payables	(16,323,641)
Cash paid during the year	100,783,573

(f) Routine Repair and Maintenance Expenses

At start of the year	0.00
Reported to the statement of financial performance	5,808,479
Balance reported to payables	0.00
Cash paid during the year	5,808,479

(g) Advances to other government entities

At start of the year	0.00
Reported to the statement of financial performance	0.00

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Balance reported to Receivables	10,940,000
Cash paid during the year	<u>10,940,000</u>

23. Intra-Entity Transactions

List of transactions/balances with other government entities for the year ended 30th June, 2023 are as follows: -

SN	Goods/Services received	Name of the Entity provided Goods or Services	Amount paid	Payable balance
1	Fuel	Government procurement Service Agency (GPSA)	13,500,000.00	2,773,912.00
2	Environmental and Social Impact Assessment (ESIA)	National Environment Management Council	5,000,000.00	0.00
3	GPN Fee and Annual PE Fee	Public procurement Regulatory Authority	1,500,000.00	0.00
4	Electricity	Tanzania Electric Supply Company Limited (TANESCO)	3,400,000.00	0.00
5	Water	Dar es salaam water supply and sanitation authority (DAWASA)	2,504,789.90	0.00
6	Internet	Tanzania Telecommunication Company Limited	3,133,000.00	0.00
7	Subscription fees	National Board of Accountants and Auditors (NBAA)	260,000.00	0.00