



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 2024**

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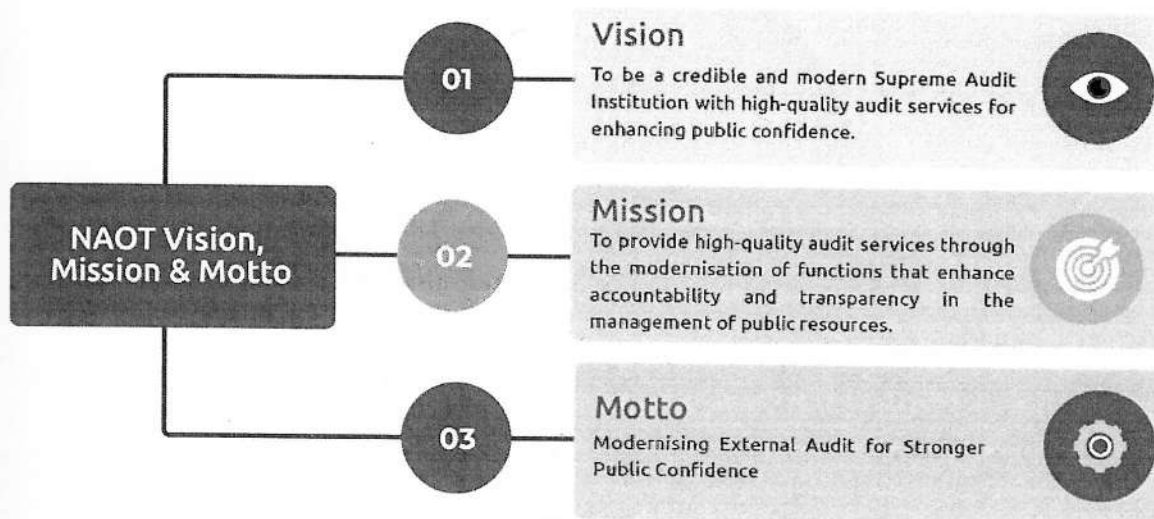
March 2025

AR/CG/TAFICO/2023/24

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.



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
GPSA	Government Procurement Service Agency
IFAD	International Fund for Agricultural Developments
IFRS	International Financial Reporting Standard
MoU	Memorandum of Understanding
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
OC	Other Charges
PE	Personnel Emolument
Reg.	Regulation
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, 2024, 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, 2024, 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

The management is responsible for the other information. The other information comprises the report by those charged with governance for the year ended 30 June 2024, statement of

responsibility by those charged with governance for the year ended 30 June 2024, statement by the Executive Secretary for the year ended 30 June 2024, declaration by the Head of Finance and Accounts for the year ended 30 June 2024 and Commentary of financial statements but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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 scepticism 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 LEGISLATION

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 2023/24 as per the Public Procurement laws.

Conclusion

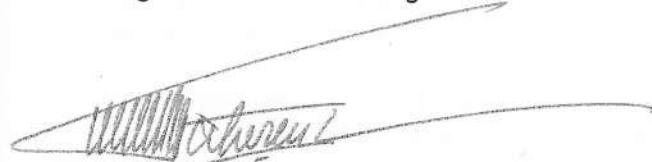
Based on the audit work performed, I state that the procurement of goods, works and services of Tanzania Fisheries Corporation (TAFICO) is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

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 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

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



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.

March 2025



2.0 STATEMENT OF THE BOARD CHAIRPERSON

2.1 INTRODUCTION

On behalf of the TAFICO Board of Directors, I am pleased to present the corporation's financial statements for the financial year 2023/24. This is the second Financial Statement since TAFICO became operational on 1 July 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 30 June 2024 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 2023/24, the Corporation is in the second year of the implementation of its second five years Corporate Strategic Plan (2022/23 - 2026/27). 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 collaboration with the private sector and other partners.

During the financial year 2023/24, the Board closely oversees the implementation of the Second Five-Year Strategic Plan (2022/23 - 2026/27) 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.

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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

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.

2.2 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 2023/24.

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	67	Male	Zoology, Fisheries and Marine Biology	17 September 2021	Tanzanian
2.	Ms. Prisca B. Lwangili	Vice Chairperson	43	Female	Political Science and Public Administration; and Human Resources Management	17 September 2021	Tanzanian
3.	Dr. Eliamini A. Kasembe	Member	60	Male	Marine Navigation with Marine Technology	17 September 2021	Tanzanian
4.	Mr. Saidi Meck Sadick	Member	78	Male	Administrator and Politician	17 September 2021	Tanzanian
5.	Dr. Oscar C. Kibazohi	Member	64	Male	Food Science and Technology	17 September 2021	Tanzanian
6.	Dr. Ismaeil A. Kimirei	Member	51	Male	Aquatic ecologist	17 th September, 2021	Tanzanian
7.	Com. Justine Japhet Sayi	Member	40	Male	Commerce and Accounting	17 th September, 2021	Tanzanian
8.	Mr. Derick A. Mushi	Member	40	Male	Financial analytics & modeling,	17 th September, 2021	Tanzanian

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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
					Project finance and development finance, research, and debt capital markets		
9.	Mr. Magese E. Bulayi	Member	61	Male	Zoology, Marine Biology and Microbiology	17 th September, 2021	Tanzanian

The Members of the Finance and Administration Committee that served during the year ended 30 June, 2024 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	40	Male	Commerce in Accounting	5 May, 2023	Tanzanian
2.	Ms. Prisca B. Lwangili	Member	43	Female	Political Science and Public Administration; and Human Resources Management	5 May, 2023	Tanzanian
3.	Mr. Saidi Meck Sadiki	Member	78	Male	Administrator and Politician	5 May, 2023	Tanzanian
4.	Dr. Eliamini A. Kasembe	Member	60	Male	Marine Navigation with Marine Technology	5 May, 2023	Tanzanian
5	Mr. Daniel Ngari	Co-opted Member	61	Male	Commerce and Accounting	5 May, 2023	Tanzanian

The Members of the Audit and Risk Committee that served during the year ended 30 June, 2024 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	51	Male	Aquatic ecologist	5 May, 2023	Tanzanian
2.	Ms. Prisca B. Lwangili	Member	43	Female	Political Science and Public Administration;	5 May, 2023	Tanzanian

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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

No.	Name	Position	Age (yrs)	Gender	Discipline	Date of Appointment	Nationality
					and Human Resources Management		
3.	Com. Justine Japhet Sayi	Member	40	Male	Commerce and Accounting	5 May, 2023	Tanzanian
4.	Dr. Mwamini Tulli	Co-opted Member	66	Female	Commerce and Accounting	5 May, 2023	Tanzanian
5.	Mr. Fredrick Milanzi	Co-opted Member	43	Male	Accounting and Tax Management	5 May, 2023	Tanzanian

The Members of the Operation and Investment Committee that served during the year ended 30 June, 2024 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	40	Male	Financial analytics & modeling, Project finance and development finance, research, and debt capital markets	5 May, 2023	Tanzanian
2.	Dr. Oscar C. Kibazohi	Member	64	Male	Food Science and Technology	5 May, 2023	Tanzanian
3.	Dr. Eliamini A. Kasembe	Member	60	Male	Marine Navigation with Marine Technology	5 May, 2023	Tanzanian
4.	Mr. Saidi Meck Sadiki	Member	78	Male	Administrator and Politician	5 May, 2023	Tanzanian
5.	Dr. Siasa Issa Mzenzi	Co-opted Member	46	Male	Accounting, planning and Investment	5 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 2024, the Board held three (3) ordinary meetings. All members of the Board were able to substantially devote their time required for the Board meetings, The Audit and risk committee held three (3) meetings and the Finance

and administration committee held two meetings and the Operation and Investment Committee also held two (2) as at 30 June 2024.

(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.

2.3 APPOINTMENT OF AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor for the Tanzania Fisheries Corporation pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2002), Section 9 - 12 of the Public Audit Act, CAP.418, and Public Finance Act, CAP.348.

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

Controller and Auditor General,
National Audit Office,
Audit House,
4 Ukaguzi House,
P. O. Box 950,
41104 Tambukareli,
Dodoma, Tanzania.

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

2.4 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.

2.5 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.

3.0 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.



Prof. Yunus D. Mgaya
BOARD CHAIRPERSON

4.0 STATEMENT OF THE CHIEF EXECUTIVE OFFICER

4.1 INTRODUCTION

The Corporation is pleased to present the 2nd issue of its Financial Statements for the financial year 2023/24. The report provides the Corporation's operational performance for the year ended 30 June 2024.

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 2023/24 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 2024/25.

Hence, there is a need for strong financial support from the Government, development partners, and the private sector.

The Corporation also commenced the process of acquiring a one ten tons and one five ton refrigerated Trucks; 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.

4.2 NATURE OF CORPORATION

The Corporation exercises its mandates as provided in the Establishment Order No. 11 of 14 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.

4.3 THE OPERATIONS OF THE CORPORATION

4.3.1 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 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 person's 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.

4.4 VISION, MISSION AND CORE VALUES

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

4.5 Vision

A competitive Organization in commercial fishing and Aquaculture in Sub Saharan Region."

4.6 Mission

To play a pivotal role in the development of fisheries industry in Tanzania through deep sea and inland water fishing, aquaculture and value addition for sustainable socio-economic development ."

4.7 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 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.

4.8 OBJECTIVES AND STRATEGIES

During the year under review, the Corporation completed its second year of the five-year Strategic Plan 2021/22 - 2026/27. The Plan has eight strategic objectives to be implemented for 5 years.

To facilitate the implementation of the five years 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 - 2026/27 are as follows:

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.

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.
- 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

4.9 CURRENT PERFORMANCE AND FUTURE DEVELOPMENT

4.9.1 Review of Current Performance

The Corporation were in implementation of the 2021/22 - 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 second 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's approved budget for the 2023-2024 fiscal year was TZS 8,323,521,906. Of this, TZS 5,842,403,300 is Government subvention comprised of TZS 928,133,300.00 for Other Charges (OC), TZS 1,514,270,000 for Personnel emoluments (PE) and TZS 3,400,000,000 budget was allocated for developments.

The subvention received for the year under review is TZS 2,296,369,190.18 (27.6%), out of which, TZS 504,003,314.96 (54.3%) for Other Charges, TZS 626,366,944.50 (41.4%) for

Personnel emoluments (PE) and TZS 1,165,998,930.72 (34.3%) for Development projects. During the year the Corporation also received TZS 36,600,000.00 for AFDP/IFAD project, the funds were received from the Ministry of Livestock and Fisheries for the purpose of making site visit verification for the construction of Fish feed Mills. The amount spent up to June 30 2024 was TZS 17,316,609.00.

TAFICO spent a total of TZS 2,297,016,762 in the year 2023/24 out of which TZS 1,097,865,357.48 (49.4%) is for Capital expenditure, TZS 1,123,195,778.85 (50.6%) is for Recurrent Expenditure, which constituted of Other Charges (OC) TZS 477,998,225.35, Carryover funds from 2022/23 of TZS 75,945,626 and Personnel Emoluments (PE) totaling to TZS 626,366,944.50. The Corporation also commenced the process of acquiring a one ten tons and one five ton refrigerated Trucks; other projects were in the preparatory phases of execution.

The Corporation has started to generate own source revenue through the sale of flake Ice, during the year under review TZS 5,156,200.00 was received, and the amount spent as at 30 June 2024 was TZS 1,514,000.00

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

- (i) The feasibility study for deep sea fishing and fish processing study was conducted and the report was issued for discussion;
- (ii) TAFICO entered Memorandum of Understanding (MOU) with private investors to collaborate in fisheries and aquaculture projects;
- (iii) The Ice plant and associated infrastructure were completed and the sales of Flake Ice started in May 2024;
- (iv) Fisheries investments opportunities were promoted at the Dar es Salaam International Trade fair (Sabasaba) Nanenane;
- (v) The staff were provided with working tools Laptop and Desktop Computers;
- (vi) The head office building rehabilitated;
- (vii) The website and Government mail systems are in place;
- (viii) The government electronic payment gateway system (GePG) was installed and collection of government funds made through that system.
- (ix) The Procurement of two refrigerated trucks started;

4.9.2 Future Plans of the Corporation

In its five-Year Strategic Plan 2021/22 - 2025/26, 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); The Contract for the Construction of one Fishing Vessel of 22 meters long was signed on 30 April 2024 and the Construction of the Vessel was started 1st May, 2024, and it will take 80 weeks to be completed.
- (iv) To Construct fish processing plant at Kilwa District in Lindi Region;
- (v) To procure and operate ice plant at Kigamboni District, block and flake ice;
- (vi) To procure three 10 tons and one 5 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.

TAFICO's approved budget for the 2024-2025 fiscal year is TZS 4,025,339,674.00. Of this, TZS 3,341,583,674.00 is Government subvention comprised of TZS 928,133,300.00 for Other Charges (OC), TZS 1,282,000,000.00 for Personnel emoluments (PE) and TZS 1,131,450,374.00 for development budgets. The Corporation is expected to generate TZS 683,756,000.00 from own revenue sources.

4.9.3 Challenges Experienced in 2023/24 and future strategies

- (ix) Despite the performances described above the corporation faced the following challenges in implementing the work plan and budgets for the year 2023/24: -
- (x) Shortage of staff - The Management requested and continues to request staff from the Permanent Secretary of PO-PSMGG for TAFICO;
- (xi) 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 finance to request funding;
- (xii) 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; and
- (xiii) Shortage of transport facilities for facilitating office activities - Requesting Funds for purchasing transport facilities in the prepared TAFICO projects budget of 2024/2025.

4.10 POLITICAL, CHARITABLE CONTRIBUTIONS AND SUBSCRIPTIONS

During the year ended 30 June, 2024 there were no contribution and subscription made to political parties and charitable organization.

4.11 EMPLOYEES WELFARE

- (i) Management and Employees' Relationship
- (ii) The Management and staff relationships continued to be cordial during the reporting period, no Employee complaints raised during the year.
- (iii) Staff Training and Development
- (iv) 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.
- (v) Medical Assistance
- (vi) The Corporation provides medical assistance to its staff and their dependents through the National Health Insurance Fund. During the year ended 30 June 2024, the National Health Insurance Fund provided these services.

4.12 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 30 June 2024 is 75% male to 25% female, and the number of staff is only 20 (15 male and 5 Female). There is ongoing recruitment process hoping that the ratio is going to change in the favor of female.

4.13 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.

4.14 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

4.15 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, 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.

4.16 CAPITAL STRUCTURE AND TREASURY POLICIES

Capital Structure

According to the Tanzania Fisheries Corporation (TAFICO) Establishment Order of 1974, the authorised nominal capital of the Corporation is 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 2023/24 there is no paid-up share capital. Therefore, The Corporation's capital structure for the year ended 30 June 2024 consists of Deferred Income (Development) of TZS 118,251,046,611.60 and Accumulated Surplus of TZS 651,415,381.00.

4.17 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:

- (i) The effectiveness and efficiency of operations;
- (ii) The safeguarding of the Corporation's assets;
- (iii) Compliance with applicable laws and regulations;
- (iv) The reliability of accounting records;
- (v) Business sustainability under normal as well as adverse conditions; and
- (vi) Responsible behaviors 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 noncompliance 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 30 June 2024 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.

4.17.1 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 have 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

(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

(i) 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.

(ii) 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.

(iii) 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.

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

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.

(v) 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.

4.18 PREJUDICIAL ISSUES

During the year ended 30 June 2024, there were no prejudicial issues to report as required by Tanzania Financial Reporting Standard No. 1 - The Report by Those Charged with Governance.

4.19 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 30.06.2024 are: -

Table 5: Members of the Tender Board

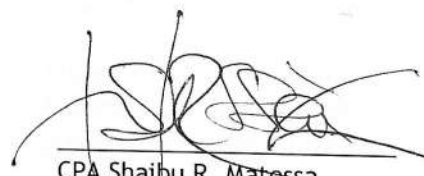
No.	Name	Position	Gender	Designation	Date of Appointment
1.	Mr. Suleiman Kiula	Chairperson	Male	Senior Accounts Officer II	28 August, 2023
2.	Mr. Emmanuel Urembo	Secretary	Male	Head of Procurement Management Unit	28 November, 2023
3.	Mr. Shaibu R. Matessa	Member	Male	Head Of Finance and Accounts Unit	28 November, 2023

THE UNITED REPUBLIC OF TANZANIA
TANZANIA FISHERIES CORPORATION (TAFICO)
NOTES TO THE FINANCIAL STATEMENT

No.	Name	Position	Gender	Designation	Date of Appointment
4.	Mr. Humphrey J. Mtuy	Member	Male	Head of Legal Units	28 November, 2023
5.	Ms. Perpetua D. Masaga	Member	Female	Head of Public Relation and Communication Unit	28 November, 2023
6.	Mr. Ahmed Byabato	Member	Male	Head of Corporate Service Unit	28 November, 2023

4.20 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.


CPA Shaibu R. Matessa
Ag. CHIEF EXECUTIVE OFFICER

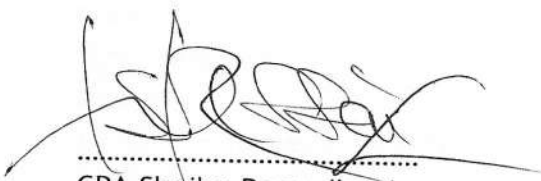
5.0 DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS

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 2024 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

Date: 30/08/2024

THE UNITED REPUBLIC OF TANZANIA
TANZANIA FISHERIES CORPORATION (TAFICO)
NOTES TO THE FINANCIAL STATEMENT

6.0 FINANCIAL STATEMENTS

6.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		2024	2023
ASSETS	NOTE	TZS	TZS
Non-Current Assets			
Property Plant and Equipment	14	<u>118,338,357,628</u>	<u>118,066,552,087</u>
Total Non-Current Assets		<u>118,338,357,628</u>	<u>118,066,552,087</u>
Work in Progress - Buildings	15	732,987,728	0.00
Current Assets			
Cash and Cash Equivalent	16	117,064,254	75,945,626
Prepayments	17	1,222,031	2,773,912
Receivables	18	10,940,000	24,678,600
Total Current Assets		129,226,285	103,398,138
TOTAL ASSETS		<u>119,200,571,641</u>	<u>118,169,950,225</u>
LIABILITIES			
Current Liabilities			
Payables and Accruals	19	334,460,633	34,141,641
Deferred Income		<u>94,138,633</u>	<u>0.00</u>
TOTAL LIABILITIES		<u>428,599,296</u>	<u>34,141,641</u>
EQUITY			
The Authorized Share Capital of the Corporation	21	0.00	0.00
Accumulated Surplus	22	781,852,729	75,436,497
Deferred Income (Development)	6	<u>117,990,119,615</u>	<u>118,060,372,087</u>
Total Equity		118,771,972,344	118,135,808,583
TOTAL EQUITY AND LIABILITIES		<u>119,200,571,641</u>	<u>118,169,950,225</u>

By order of the Board



Prof. Yunus D. Mgaya

CHAIRMAN

Date: 30/08/2024



CPA Shaibu R. Matessa

Ag. CHIEF EXECUTIVE OFFICER

Date: 30/08/2024

THE UNITED REPUBLIC OF TANZANIA
TANZANIA FISHERIES CORPORATION (TAFICO)
NOTES TO THE FINANCIAL STATEMENT

6.2 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
	NOTE	TZS	TZS
REVENUE	4	5,156,200	
Revenue From sale of Flake Ice			
Other Income			
Subvention from the Central Government	5	2,202,240,527	991,398,195
Miscellaneous Receipts	21	36,600,000	
Amortization of Deferred Grants	6	<u>70,252,472</u>	<u>77,252,472</u>
TOTAL REVENUE		<u>2,314,249,198</u>	<u>1,068,650,667</u>
EXPENSES			
Wages, salaries and employee benefits	7	906,692,945	330,525,372
Directors Fees & Other Board Expenses	8	80,857,800	72,022,110
Travelling, Training and Other Facilitation Expenses	9	309,852,941	405,761,034
Services, Supplies and consumable Expenses	10	197,407,165	100,894,703
Routine Repair and Maintenance Expenses	11	9,499,500	5,508,479
Depreciation of Property, Plant and Equipment	12	<u>103,522,617</u>	<u>78,502,471</u>
TOTAL EXPENSES SURPLUSES		<u>1,607,832,967</u>	<u>993,214,170</u>
		<u>706,416,231</u>	<u>75,436,497</u>

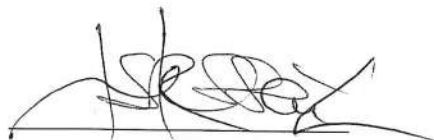
By order of the Board



Prof. Yunus D. Mgaya

CHAIRMAN

Date: 30/08/2024



CPA Shaibu R. Matessa

Ag. CHIEF EXECUTIVE OFFICER

Date: 30/08/2024

THE UNITED REPUBLIC OF TANZANIA
TANZANIA FISHERIES CORPORATION (TAFICO)
NOTES TO THE FINANCIAL STATEMENT

6.3 STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 TZS	2023 TZS
Cash Flows from Operating Activities			
Receipts			
Receipts from sale of Flake Ice	25(a)	5,156,200	0.00
Subvention from Other Government Entities	25(b)(c)(j)	2,296,379,190	991,398,195
	)		
Receipts from Miscellaneous	21	36,600,000	0.00
Total Receipts		<u>2,338,135,390</u>	<u>991,398,195</u>
Payments			
Wages, salaries and employee benefits	25(d)	733,004,945	330,525,372
Directors Fees & Other Board Expenses	25(e)	19,857,800	59,772,110
Travelling, Training and Other Facilitation Expenses	25(f)	291,109,370	400,193,034
Services, Supplies and consumable Expenses	25(g)	143,898,071	101,083,573
Routine Repair and Maintenance Expenses	25(h)	9,499,500	5,508,479
Advances to other government entities		0.00	10,940,000
Payments to Payables	19	16,573,641	0.00
Total Payments		<u>1,213,943,327</u>	<u>908,022,569</u>
Net Cash Flows from Operating Activities (A)	13	<u>1,124,192,063</u>	<u>83,375,626</u>
Cash Flows from Investing Activities			
Acquisition of Property and Equipment	14	(350,085,707)	(7,430,000)
Work in Progress - Buildings	15	(732,987,728)	0.00
Net Cash Flows from Investing Activities (B)		<u>(1,083,073,435)</u>	<u>(7,430,000)</u>
Cash Flows from Financing Activities			
Net Increase/ (Decrease) In Cash and Cash Equivalent During the Year (A+B)		<u>41,118,627</u>	<u>75,945,626</u>
Cash and Cash Equivalents at the Beginning of the year		<u>75,945,626</u>	<u>.....</u>
Cash and Cash Equivalents at the End of the year	16	<u>117,064,253</u>	<u>75,945,626</u>

By order of the Board



Prof. Yunus D. Mgaya

CHAIRMAN

Date: 30/08/2024



CPA Shaibu R. Matessa

Ag. CHIEF EXECUTIVE OFFICER

Date: 30/08/2024

THE UNITED REPUBLIC OF TANZANIA
TANZANIA FISHERIES CORPORATION (TAFICO)
NOTES TO THE FINANCIAL STATEMENT

6.4 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

DESCRIPTIONS	RETAINED	TOTAL
	EARNINGS	
	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>
As at 01.07.2023	<u>75,436,497</u>	<u>75,436,497</u>
Surplus/(Deficit)for the year	<u>706,416,231</u>	<u>706,416,231</u>
As at 30.06.2024	<u>781,852,728</u>	<u>781,852,728</u>

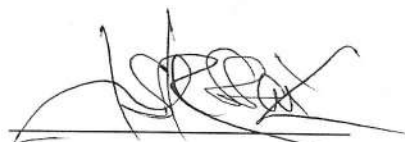
By order of the Board



Prof. Yunus D. Mgaya

CHAIRMAN

Date: 30/08/2024



CPA Shaibu R. Matessa

Ag. CHIEF EXECUTIVE OFFICER

Date: 30/08/2024

6.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

Descriptions	Budget Amounts			Actual on Comparable Basis	Differences Btn Final Budget Vs Actuals	Per Percentage Performance
	Original Budget	Adjustments	Final Budgets			
REVENUE						
Receipts from Non-Exchange Transactions						
Receipts from Government Grants (Subvention from the Central Government)	17,907,122,520	(12,064,719,220)	5,842,403,300	2,202,240,527.33	(3,640,162,773)	
Receipts from own source	2,481,118,646	-	2,481,118,646	5,156,200.00	(2,475,962,446)	
Miscellaneous Deposits	16,551,462,085	-		36,600,000.00	36,600,000	
Loan		(16,551,462,085)			-	
TOTAL REVENUE	36,939,703,251	(28,616,181,305)	8,323,521,946	2,243,996,727	(6,079,525,219)	-73.0%
EXPENSES						
DESCRIPTORS						
	Original Budget	Adjustments	Final Budgets	Actual on Comparable Basis	Differences Btn Final Budget Vs Actuals	
Wages, salaries and Employees Benefits Expenses	2,216,422,000	(123,203,700)	2,093,218,300	906,692,945	(1,186,525,356)	-56.7%
Directors Fees and other Board Expenses	132,000,000	(55,000,000)	77,000,000	80,857,800	3,857,800	5.0%
Travelling, Training and other Facilitation Expenses	1,720,177,760	(403,907,550)	1,316,270,210	309,852,941	(1,006,417,269)	-76.5%
Service, Supplies and Consumable expenses	1,115,920,000	(394,617,604)	721,302,396	197,407,165	(523,895,231)	-72.6%
Routine Repairs and Maintenance Expenses	65,300,000	(49,700,000)	15,600,000	9,499,500	(6,100,500)	-39.1%
SUB TOTAL	5,249,819,760	(1,026,428,854)	4,223,390,906	1,504,310,350	(2,719,080,556)	-64.4%
Acquisition of Assets and Depreciation						
Procurements of Non-Current Assets	14,766,253,609	(10,666,122,569)	4,100,131,040	-	(4,100,131,040)	
Foreign Project funds	16,551,462,085	(16,551,462,085)	-	-	-	
Depreciation for the year	-	-	-	33,270,145	33,270,145	

Controller and Auditor General

AR/CG/NT/TAFICO/2023/24

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Descriptions	Budget Amounts			Actual on Comparable Basis	Differences Btn Final Budget Vs Actuals	Per Centage Performance
	Original Budget	Adjustments	Final Budgets			
SUB TOTAL	31,317,715,694	(27,217,584,654)	4,100,131,040	33,270,145	(4,066,860,895)	-99.2%
Contribution to Government Funds	372,167,797	(372,167,797)	-	-	-	
TOTAL EXPENSES	36,939,703,251	(28,616,181,305)	8,323,521,946	1,537,580,495	(6,785,941,451)	-81.5%
SURPLUS /(DEFICIT) FOR THE YEAR	-	-	-	706,416,232	706,416,232	

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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)	-73.50%	The deficit is attributed by non-disbursements of funds from the Treasurer (Central Government), no loans the personal emoluments (PE) TZS 626,366,945/- and Other Charges (OC) TZS 514,013,315/-
2.	Wages, salaries and Employees Benefits Expenses	-56.70%	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 which funds were not received from central government (other charges).
3.	Directors Fees	-5%	The director's fee is mainly comprised of unpaid fees during the year which was caused due to non-disbursement of funds from central government.
4.	Travelling, Training and other Facilitation Expenses	-76%	The savings attributable to the less usage of Diesel, ground travel funds, and sitting allowances allocated funds.
5.	Service, Supplies and Consumable expenses	-72.30%	The savings attributable to the effective expenditure controls and use of consumables.
6.	Routine Repairs and Maintenance Expenses	-39.10%	The savings attributed to the late acquisition of Motor vehicles and other office equipment that may need repairs and maintenance.

6.6 SUMMARY OF SIGNIFICANT POLICIES AND DISCLOSURES

6.6.1 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.

6.6.2 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.

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.

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.

Revenue

Revenue of the Corporation comprises of sales of flake Ice and 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 2023/24 the subvention received from the Government is TZS 2,296,369,190.18, Revenue from Sale of Flake ice is TZS 5,156,200 and TZS 36,600,000 Miscellaneous receipts (IFAD Project Funds).

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 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

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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. Further the unused recurrent grants from the government and donors are also deferred so as to match them with the related expected costs. The deferred Grants as at 30 June amounted to TZS 117,990,119,615.00, TZS 68,133,573 and TZS 26,005,089.00 for Capital and recurrent grants respectively.

Functional and Presentation Currency

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

Employees Benefits

The Corporation has a defined benefit contribution scheme 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.

Prepayments

The Prepayments comprise mainly the Advance to GPSA for procurement of fuel for office Vehicles as at 30 June, 2024 amounted to TZS 1,222,031.00.

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 as at 30 June 2024 amounted to TZS 117,064,254.00.

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 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 unpaid s borrowed fund by the Parent Ministry for Burial Grants. The receivables as at 30 June 2024 amounted to TZS 10,940,000.

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

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SUMMARY OF SIGNIFICANT POLICIES AND DISCLOSURES

amortized cost using effective interest method. The payables comprise of unpaid Directors fees, audit fees and staff entitlements, Unspent Funds received from IFAD Project and allowance as at 30 June, 2024. The Account payables and Accruals as at 30 June 2024 amounted to TZS 334,460,633 and Deferred Income amounted to TZS 94,138,663.

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 June 2024 amounted to TZS 118,338,357,628.

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 2023/24 are as follows: -

Particulars	Useful life
Office Buildings and Structures	50 years
Hardware: Servers and Equipment (Incl. Desktops, Laptops, and UPS etc.)	8 years
Printers and Scanners	10 years
Furniture and fittings	10 years
Equipment	7 years
Plant and Machinery	15 years
Land is not depreciated.	

The total depreciation for the year amounted to TZS 103,522,617.

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.

Retained Earnings

The retained Earnings represent accumulated undistributed and unallocated net surplus created during the years. The net surplus during the year is TZS 706,416,231.

Capital Work in Progress

The Capital Work in Progress (WIP) is stated at cost and not depreciated. The depreciation of WIP commences when the assets are ready for their intended use. The amount referred to the uncompleted contractual work which is carried out at TAFICO HQ, Ras Mkwavi Kigamboni. The amount is TZS 732,987,728.

6.6.3 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:

Property, Plant and Equipment and Depreciation

Critical estimates are made in Accordance with The Public Finance (Management of Public Property) Regulation, 2024 in determining depreciation rate for Property, Plant and Equipment and their residual values. During the year there was change in accounting estimates as follows: -

CHANGE IN ACCOUNTING ESTIMATES (IAS 8)	
Nature of Change	Change in useful life of Assets reported in Property, Plant and Equipment (PPE)
Amount of Change in Current period	(i) Office Furniture and Fittings TZS 7,000,000 (Change of useful life from 5 years to 10 years) (i) Hardware: Servers and equipment (Include desktop, laptop, UPS and etc) TZS 2,405,600 (Change of useful life from 4 years to 8 years) (ii) Office Equipment TZS 593,000 (Change of useful life from 4 years to 8 years)
Effects on future periods	Reduced in amount of Depreciation due to Increase in useful life of assets
Reason for Change	During the current reporting period, the Corporation adopted the newly introduced <i>The Public Finance (Management of Public Property) Regulations, 2024</i> in the computation of Depreciation of Property, Plant and Equipment, which replaces the previously used <i>the Asset Management Guideline of 2019</i> . The introduction of the new regulation necessitated changes in certain accounting estimates to align with updated regulatory requirements.

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6.7 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4	Sales of Flake Ice	TZS.	TZS.
	Revenue from sale of products	<u>5,156,200</u>	<u>0.00</u>
	Total	5,156,200	<u>0.00</u>

5	Subvention from the Central Government	TZS.	TZS.
	Other Charges	478,008,225	771,709,623
	Development	1,097,865,357	0.00
	Personal Emoluments	<u>626,366,945</u>	<u>219,688,572</u>
	Total	<u>2,202,240,527</u>	<u>991,398,195</u>

6	Deferred Income (Development)	TZS	TZS
	Opening Balance	118,060,372,087	118,137,624,558
	Less: Amortization	<u>(70,252,471)</u>	<u>(77,252,471)</u>
	Net Book Value	<u>117,990,119,616</u>	<u>118,060,372,087</u>

The TZS 94,138,663 below is amount of unspent Government Subvention (OC and Development)

Deferred Income (Recurrent)	26,005,089	0.00
Deferred Income (Development)	<u>68,133,574</u>	<u>0.00</u>
Totals	<u>94,138,663</u>	<u>0.00</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.

7	Wages, Salaries and Employee benefits expense		
	Casual Laborers	26,453,000	16,454,000
	Civil Servants	528,579,700	185,391,200
	Court Attire Allowance	0.00	1,000,000
	Extra-Duty	33,110,000	31,920,000
	Internship allowance	3,450,000	3,600,000
	Furniture Allowances	64,000,000	18,000,000

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Housing Allowance	37,800,000	16,600,000
Telephone Allowance	32,500,000	6,700,000
Electricity Allowance	19,920,000	7,760,000
Leave Travel	5,203,000	3,234,800
National Health Insurance Schemes (NHIF)	15,857,391	5,561,736
Workers Compensation Fund (WCF)	2,642,899	926,956
Public Service Social Security Fund (PSSSF)	79,286,955	27,808,680
Disturbance Allowances	0.00	5,568,000
Honoraria	500,000	0.00
Acting Allowance	47,940,000	0.00
Subsistence Allowances	<u>9,450,000</u>	<u>0.00</u>
Total	<u>906,692,945</u>	<u>330,525,372</u>

8 Directors Fees and other Board Expenses

Directors Fees	61,000,000	56,500,000
Per Diem Domestics	13,350,000	5,925,000
Air travel ticket-Domestic	570,800	644,110
Ground Transport	0.00	780,000
Diesel	1,737,000	2,373,000
Conference Facilities	0.00	200,000
Food and Refreshments	3,700,000	1,200,000
Office Consumables (papers, pencils, pens etc.)	0.00	1,500,000
Rent of Vehicles and Crafts	500,000	500,000
Presentation Fees	<u>0.00</u>	<u>2,400,000</u>
Total	<u>80,857,800</u>	<u>72,022,110</u>

9 Travelling, Training and other Facilitation Expenses

Air travel ticket-Domestic	19,505,475	6,748,155
Moving Expenses	19,932,882	97,703,000
Sitting Allowance	12,175,000	10,400,000
Diesel	35,638,075	5,103,713
Ground Transport (Bus, Train, Water)	816,000	766,000

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Ground travel (bus, railway taxi, etc.)	2,500,000	2,594,500
Per Diem - Domestic	173,356,609	248,777,666
Tuition Fees	18,180,000	6,686,000
Transport Allowance	5,197,000	6,982,000
Contribution Expenses	11,000,000	0.00
Per Diem - Foreign	7,539,900	0.00
Lodging/Accommodation travel in Country	1,600,000	0.00
Facilitation fees	<u>2,500,000</u>	<u>0.00</u>
Total	<u>309,852,941</u>	<u>405,761,034</u>
10 Services, Supplies and Consumables Expenses		
Cleaning Supplies	3,171,000	789,000
Computer Supplies and Accessories	535,000	3,232,500
Conference Facilities	750,000	1,050,000
Electricity charges	9,900,000	3,400,000
Exhibition, Festivals and Celebrations	12,501,600	17,355,000
Food and Refreshments	34,438,000	10,372,900
Internet and Email connection	11,500,000	3,133,000
Mobile Charges	0.00	300,000
Office Consumables (papers, pencils, pens etc.)	16,004,400	12,021,868
Outsourcing Costs (security services etc.)	33,789,017	14,751,570
Audit fees	15,000,000	12,890,625
Audit supervision expenses	0.00	2,109,375
Sundry Expenses	800,000	5,445,700
Funeral Expenses	1,000,000	2,000,000
Petrol	0.00	28,090
Posts and Telegraphs	416,400	210,000
Subscription Fees	1,913,000	260,000
Uniforms and Ceremonial Dresses	250,000	1,000,000
Water Charges	2,739,000	2,504,790
Consultancy fees	19,198,000	6,643,268

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Advertising and Publications	6,151,175	0.00
Small Tools and Equipment	2,651,000	0.00
PPRA Fees	3,000,000	0.00
Printing and Photocopying Costs	2,150,920	0.00
Insurance Expense	8,088,518	0.00
Rent housing Expenses	750,000	0.00
Loose tools Expense	6,183,000	0.00
Wire, Wireless, Telephone, Telex Services	670,000	0.00
Direct labor (contracted or casual hire)	1,700,900	300,000
Bank Charges and Commissions	<u>2,156,235</u>	<u>1,097,017</u>
Total	<u>197,407,165</u>	<u>100,894,703</u>
Routine Repair and Maintenance Expenses		
Computers, printers, scanners, and other computer related equipment	440,000	700,000
Electrical and Other Cabling Materials	3,383,000	635,000
Motor Vehicles and Water Craft	4,418,000	1,703,479
Cement, bricks and construction materials	773,500	0.00
Air Conditioner Maintenance Expenses	485,000	0.00
Pipes and Fittings	<u>0.00</u>	<u>2,470,000</u>
Total	<u>9,499,500</u>	<u>5,508,479</u>
Depreciation of Property, Plant and Equipment		
Hardware: servers and equipment (incl. desktops, laptops, UPS etc.)	3,846,100	660,000
Office buildings and structures	15,265,076	15,265,076
Commercial Building	29,974,874	29,659,790
Town houses and apartments	18,327,604	18,327,604
Office Furniture and Fittings	7,000,000	14,000,000
Plant and Machinery	8,931,172	0.00
Motor Vehicles (Administrative)	19,584,790	0.00

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Office equipment	<u>593,000</u>	<u>590,000</u>
Total	<u>103,522,617</u>	<u>78,502,471</u>

Reconciliation of Net Cash Flows from Operating Activities

	NOTES	2023/24	2022/2023
		TZS	TZS
Cash Flows from Operating Activities			
Surplus/ (Deficit) Before Tax		706,416,231	75,436,497
Adjustments for Items Not Involving the Movement of Cash			
Amortization of Deferred Grants	5	(70,252,471)	(77,252,471)
Depreciation Expenses	11	103,522,617	78,502,471
Net Cash Flows Before Changes in Working Capital		739,686,377	76,686,497
Changes In Working Capital Items:			
(Increase)/Decrease in Trade and Other Receivables		15,290,481	(27,452,512)
Increase/(Decrease) in Trade and Other Payables		369,215,205	34,141,641
Net Cash Flows from Operating Activities		1,124,192,063	83,375,626

NOTE 14: Property Plant and Equipment for the year ended 30 June 2024

Particulars	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	Motor Vehicles	Plant and Machinery	Totals
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COSTS/VALUATION										
As at 01 July 2023	114,905,001,000	3,300,000	763,253,821	1,482,989,525	916,380,212	70,000,000	4,130,000	0.00	0.00	118,145,054,558
Addition Monetary during the year	0.00	27,958,500	0.00	15,754,180.00	0.00	0.00	1,800,000	195,847,900	108,725,127	350,085,707
Addition non-monetary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,242,450	25,242,450
Cost/Revaluation as at 30 June 2024	114,905,001,000	31,258,500	763,253,821	1,498,743,705	916,380,212	70,000,000	5,930,000	195,847,900	133,967,577	118,520,382,715
ACCUMULATED DEPRECIATION										
As at 01 July 2023	0.00	660,000	15,265,076	29,659,790	18,327,604	14,000,000	590,000	0.00	0.00	78,502,471
Depreciation Charge during the year	0.00	3,846,100	15,265,076	29,974,874	18,327,604	7,000,000	593,000	19,584,790	8,931,172	103,522,617
Accumulated Depreciation as at 30 June 2024	0.00	4,506,100	30,530,153	59,634,665	36,655,208	21,000,000	1,183,000	19,584,790	8,931,172	182,025,088
Carrying Value at 30 June 2024	114,905,001,000	26,752,400	732,723,668	1,439,109,040	879,725,004	49,000,000	4,747,000	176,263,110	125,036,406	118,338,357,628

Controller and Auditor General

Property Plant and Equipment (PPE) for the year ended 30 June 2023

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
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	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	0.00	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	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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15. Work in Progress

Capital work in Progress -Buildings	732,987,728	0.00
Total	732,987,728	0.00

16. Cash and Cash Equivalent

2023/24 2022/2023

Commercial Bank balances		
✓CRDB Expenditure Account	96,124,662	75,945,626
✓CRDB Project Account	19,283,391	0.00
BOT Account Balances	1,656,200	0.00
Total	117,064,254	75,945,626

17. Prepayments

Advance to GPSA	1,222,031	2,773,912
Total	1,222,031	2,773,912

18. Receivables

Staff advances and imprest	0.00	13,738,600
Advances to other government entities	10,940,000	10,940,000
Total	10,940,000	24,678,600

SCHEDULE TO SHOW AGING ANALYSIS

		2023/24			2022/2023
	30/06/2024 TZS	30/06/2023 TZS	3-12 Months	1-3 Years	1-3 Years
Accounts Receivables	-	10,940,000.00			10,940,000.00
	-	10,940,000.00	-	-	10,940,000.00

19. Payables and Accruals

Deferred Income ✓	94,138,663	0.00
Directors Fees ✓	61,000,000	12,250,000
Withholding Taxes	0.00	1,323,641
Audit Fees Payables ✓	30,000,000	15,000,000
Other Accounts Payables includes		
Furniture Allowance ✓	60,000,000	0.00
Housing Allowance ✓	21,000,000	0.00
Telephone Allowance ✓	28,655,000	0.00
Electricity Allowance ✓	15,395,000	0.00
Moving allowance ✓	8,400,300	5,568,000
Acting Allowance ✓	47,940,000	0.00

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Other Staff Costs	4,328,000	0.00
Advertising and Publication✓	5,521,175	0.00
Security Services✓	24,899,400	0.00
Insurance✓	8,088,518	0.00
GS Africa (Air Tickets)	8,059,240	0.00
Laptop City (ICT Equipment's)✓	11,174,000	0.00
Total	<u>428,599,296</u>	<u>34,141,641</u>

Out of the Opening Balance of payables of TZS 34,141,641, TZS 16,573,641 was paid during the current reporting period which includes TZS 12,250,000 Directors fees, TZS 3,000,000 Moving allowance and Withholding tax TZS 1,321,641.

SCHEDULE TO SHOW AGING ANALYSIS

	30/06/2024	30/06/2023	2023/24			2022/2023	
	TZS	TZS	3-12 Months	1-3 Years	3-5 Years	3-12 Months	1-3 Years
Other Payables	317,192,633	34,141,641	94,836,663	47,940,000	268,554,633	16,573,641	17,568,000
Total	317,192,633	34,141,641	94,836,663	47,940,000	268,554,633	16,573,641	17,568,000

20. The Authorized Share Capital

The authorized nominal capital of the Corporation is TZS 20,000,000 of 20,000,000 shares Of TZS 1/- each. All the shares are held by the United Republic of Tanzania. For The year 2023/24 there is no paid-up share capital.

21. Miscellaneous Deposits

	2023/24	2022/23
AFDP/IFAD Funds	<u>36,600,000</u>	<u>0.00</u>
Total	<u>36,600,000</u>	<u>0.00</u>

22. Retained earnings

Balance at Beginning of the Year	75,436,497	0.00
Add/(Less) Surpluses/(deficits) for the Period	<u>706,416,231</u>	<u>75,436,497</u>
Balance at End of the Year	<u>781,852,729</u>	<u>75,436,497</u>

23. 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 2023/24 are as follows:

Directors Remuneration	80,857,800	65,398,000
Key Management Staff Salaries, allowances and benefits	<u>444,328,200</u>	<u>225,059,200</u>
Total	<u>525,186,000</u>	<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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24. Intra-Entity Transactions

List of transactions/balances with other government entities for the year ended 30 June, 2024 are as follows: -

LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2024				
SN	Goods/Services received	Name of the Entity provided Goods or Services	Amount paid	Payable balance
1	Fuel	Government procurement Service Agency (GPSA)	33,700,00	1,222,031
2	Stationeries	Government procurement Service Agency (GPSA)	11,200,000	-
3	Consultancy Services	University of Dar es Salaam-BICO	19,198,000	-
4	GPN Fee, Annual PE Fee and Specific Procurement Notice	Public procurement Regulatory Authority	3,000,000	-
5	Electricity	Tanzania Electric Supply Company Limited (TANESCO)	9,900,000	-
6	Water	Dar es salaam water supply and sanitation authority (DAWASA)	2,739,000	-
7	Internet	Tanzania Telecommunication Company Limited	11,000,000	-
8	Subscription fees and Tuition fees	National Board of Accountants and Auditors (NBAA)	440,000	-

25. Cash flow generated from operations

(a) Receipts from sale of Flake Ice

Reported to the statement of financial performance	5,156,200	0
Balance reported to Receivables		-
Cash paid during the year	5,156,200	0

(b) Subvention from Other Government Entities - OC

Reported to the statement of financial performance	478,008,225	991,398,195
Balance reported to financial position (Deferred Income)	26,005,090	
Cash paid during the year	504,013,315	991,398,195

(c) Subvention from Other Government Entities DEV

Reported to the statement of financial performance	1,097,865,357	0
Balance reported to financial position (Deferred Income)	68,133,573	-
Cash paid during the year	1,165,998,931	0

(d) Wages, salaries and employee benefits

Reported to the statement of financial performance	906,692,945	330,525,372
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Balance reported to payables		
Housing Allowance	(21,000,000)	-
Telephone Allowance	(28,655,000)	-
Electricity Allowance	(15,395,000)	-
Furniture Allowance	(60,000,000)	-
Leave Pay	(698,000)	-
Acting Allowance	(47,940,000)	-
Cash paid during the year	<u>733,004,945</u>	<u>330,525,372</u>
(e) Directors Fees & Other Board Expenses		
Reported to the statement of financial performance	80,857,800	72,022,110
Balance reported to payables (Director's fees)	(61,000,000)	(12,250,000)
Cash paid during the year	<u>19,857,800</u>	<u>59,772,110</u>
(f) Travelling, Training and Other Facilitation Expenses		
Reported to the statement of financial performance	309,852,941	405,761,034
Balance reported to payables includes		
Tuition fees	(3,630,000)	-
Moving expenses	(5,832,300)	(5,568,000)
Air Tickets expenses	(8,059,240)	-
Balance reported to Inventory	(1,222,031)	-
Cash paid during the year	<u>291,109,370</u>	<u>400,193,034</u>
(g) Services, Supplies and consumable Expenses		
Reported to the statement of financial performance	197,407,165	100,894,703
Balance reported to Receivables	-	16,512,512
Balance reported to payables includes		
Outsourcing costs (Security services)	(24,899,400)	-
Insurance costs	(8,088,518)	-
Advertising and Publication costs	(5,521,175)	-
Withholding Tax	-	(1,323,641)
Audit fee expenses	(15,000,000)	(15,000,000)
Cash paid during the year	<u>143,898,071</u>	<u>101,083,574</u>
(h) Routine Repair and Maintenance Expenses		
Reported to the statement of financial performance	9,499,500	5,508,479
Balance reported to payables	-	-
Cash paid during the year	<u>9,499,500</u>	<u>5,508,479</u>
(i) Advances to other government entities		
Reported to the statement of financial performance	0	-
Balance reported to Receivables	-	10,940,000
Cash paid during the year	<u>0</u>	<u>10,940,000</u>
(j) Subvention from Other Government Entities -PE		
Reported to the statement of financial performance	626,366,944	219,688,572
Balance reported to financial position (Deferred Income)		

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Cash paid during the year

626,366,944

219,688,572

26. Contingent Liabilities

The Corporation is involved in a legal dispute regarding the ownership of land with title number 17359 located at Kurasini, Dar es Salaam and recorded under Property, Plant and Equipment. The case is currently pending in court, and the outcome currently is uncertain.

27. Comparative Figures

Previous year's figures have been regrouped wherever considered necessary in order to Make them comparable with current year's figures.