



**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



NATIONAL SERVICE CORPORATION SOLE (SUMAJKT)

**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/VT.39/SUMAJKT.CONSO/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

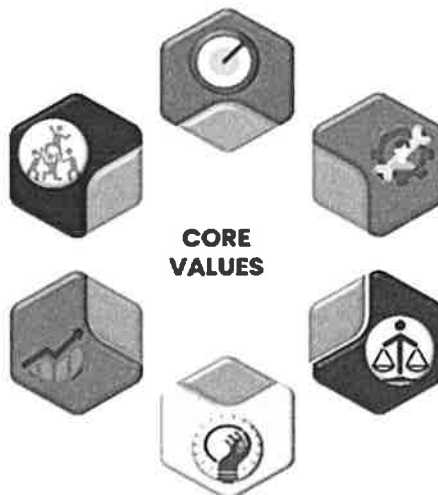
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

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

AR	Audit Report
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CG	Central Government
CEO	Chief Executive Officer
CPA	Certified Public Accountant
ED	Executive Director
FDR	Fixed Deposit rate
HQ	Head Quarter
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
PAR	Public Audit Regulation
PPA	Public Procurement Act
PPE	Property, Plant and Equipment
PPR	Public Procurement Regulations
SUMAJKT	Shirika la Uzalishaji Mali la Jeshi la Kujenga Taifa
TZS	Tanzanian Shillings
VT	Vote



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive Officer,
National Service Corporation Sole (SUMAJKT),
P.O. Box 1694,
DAR ES SALAAM

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of National Service Corporation Sole (SUMAJKT), which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, 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 National Service Corporation Sole (SUMAJKT) as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348

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 National Service Corporation Sole (SUMAJKT) 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

Management is responsible for the other information. The other information comprises the Report by those charged with governance, statement of management responsibility, Declaration by the Head of Finance commentary on the financial statements, and list of transactions with other government entities 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 IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or



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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 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 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the National Service Corporation Sole (SUMAJKT) for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of National Service Corporation Sole (SUMAJKT) is generally in compliance with the requirements of the Public Procurement laws.

(i) Repetitive procurements without framework contracts TZS 76,455,398

Section 50 (1) of the Public Procurement Act, [CAP 410 R.E. 2022] stipulates that, “the procuring entity shall, for the purpose of efficiency of the procurement process and reduction of procurement transaction costs within and across public bodies, engage or open framework agreements in accordance with the procedures prescribed in the



regulations where it is determined that (a) the need for the subject matter of procurement is expected to arise on a repeated basis during a given period of time; (b) by virtue of the nature of the subject matter of the procurement, the need for it may arise on an urgent basis during a given period of time; and (c) other grounds and circumstances that justify recourse to a framework agreement procedure.”

On my assessment of SUMAJKT Garment Co Ltd the procurement and payment made amounting to TZS 76,455,397.65 on various items, that included spare parts, sewing machine oil and t-shirts noted that, the procurements were repetitive in nature and there was no framework contracts or agreements for commonly used items which is contrary to the cited section.

(ii) Execution of variations works without project manager approval TZS 285,264,923

Regulation 61 of the Public Procurement Regulation, 2013 requires any amendment to the contract that may change the original terms and conditions of such contract to be prepared by the procurement management unit in consultation with the user department before it is submitted to the tender board for approval and a contract amendment shall not be issued to a tenderer prior to obtaining approval from the tender board.

In my review of project files as well as assessment of compliance with the terms and conditions of the contract, I noticed that the Company implemented variations of work amounting to TZS 285,264,923 for contract number IE/042/2022/2023/W/02 and LGA/062/2017-2018/W/06 prior getting the approval from the project managers.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in National Service Corporation Sole (SUMA JKT) 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, except for the matter described below, Budget formulation and execution of SUMAJKT Agri Machinery Project is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Unrealistic revenue budget TZS 5,315,000,000

Section 58(b) of the Budget Act 2015 requires a person vested with authority for public revenue collection to be accountable for efficient collection, accounting, and reporting based on applicable law and taking precautions to prevent mismanagement of the revenue. Further, Section 38(1) of the Public Finance Act of 2001 requires every Accounting Officer to ensure their draft financial estimates are realistic and accurate. They may be held responsible if any revenue or expenditure they could reasonably have foreseen is overlooked.

However, I noted that the Company planned to collect revenue to the tune of TZS 5,315,000,000, of which TZS 3,368,508,000 was collected, while TZS 1,946,492,000 was not collected, equivalent to 37% of the projected revenue.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania
March 2025



SUMAJKT CONSOLIDATION
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2.0 FINANCIAL STATEMENTS

1. INTRODUCTION

The directors present their report and audited financial statements for the year ended 30 June 2024 which disclose the financial performance and the state of affairs of National Service Corporation Sole.

2. INCORPORATION

National Service Corporation Sole was established in 1981 and is registered in Tanzania under the Corporation Sole Act, No 23 of 1974 [CAP 119 RE 2002]. The companies established under SUMAJKT are as shown in the table below:

S/N	Company Name	Company Functions	Establishment Date
1.	SUMAJKT Construction Co. Ltd	Provision of construction services to different groups of clients.	Established in 1982 Registered as a Company on 18 September 2018
2.	SUMAJKT Electric Co. Ltd	One-stop solution for Designing, Installation, Implementation, Running, Maintenance, and Supplying a variety and equipment. ICT Infrastructure, Intruder alarm system, fire alarm system, passive and active fire protection and HVAC/AC Infrastructure.	02 November, 2021
3.	SUMAJKT Consultancy Bureau Co. Ltd	Consultancy services in the Construction industry	21 May, 2021
4.	SUMAJKT Cleaning and Fumigation Co. Ltd	Cleaning, fumigation, Waste Management and Garden Services.	14 March, 2020
5.	SUMAJKT Catering Co. Ltd	Catering services, tent hiring and cerebation hall services	25 March, 2017
6.	SUMAJKT Ports and Services Co. Ltd	Deals with the provision of Casual Labour Services at Tanzania Ports Authority (TPA).	Established in 2018 and registered as a Company in November 2020
7.	SUMAJKT Auction Mart Co. Ltd	Debt and levy Collection, Auction and eviction.	June, 2019
8.	SUMAJKT Bottling Co. Ltd	Production and selling of bottled water.	October, 2018
9.	SUMAJKT Garments Co. Ltd	Producing garments of all kinds including uniforms for Military, Police, Prisons, Paramilitary, Security guards, Institutions and Individuals.	Established in 2018 and registered as a Company in February 2020
10.	SUMAJKT Agri-Machinery Project	To supply various types of tractors, implements, and spare parts, educate the farmers on the uses of sophisticated	Established 7 October 2010

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S/N	Company Name	Company Functions	Establishment Date
		agricultural equipment, and conduct after-sales service activities	
11.	SUMAJKT Guard Ltd	The principal activity of the company is the provision of security services to different groups of clients	October, 2009
12.	SUMAJKT Agriculture and Industrial Segment.	The segments engaging in agriculture, livestock keeping, manufacturing, trade and services.	The segments were established 2009. Includes different company and project (seven entities)
13.	SUMAJKT Logistics Company	The Company is engaging in different activities like clearing & forwarding, selling of fuels, food product travel & tour & real estate	Established Aug 2019
14.	Jitegemee (JKT) Secondary School	To offer secondary education to students under the Education Act 1978 and Tanzania Education Policy 2014 based on Tanzanian Curriculum Development.	Established in 1985 and was registered as a Private Secondary School in 1987
15.	Kawawa (JKT) Secondary School	To offer secondary education to students under the Education Act 1978 and Tanzania Education Policy 2014 based on Tanzanian Curriculum Development.	Established in February 1994 and was registered as a Private Secondary School

3. CORPORATE VISION

To become the largest commercial entity with the ability to generate excess profit to be used to support the running cost of the National Service.

4. CORPORATE MISSION

To establish commercial activities in the sectors of agriculture, engineering, construction, industries and other services in efficient, effective and professional manner.

5. PRINCIPAL ACTIVITIES

The Corporate is engaging in agriculture, livestock keeping, engineering, construction, manufacturing, trade and services.

6. FINANCING

The Corporate initially received equity fund from the Government, subsequently financing is obtained through financial dealing with financiers at arm's length.

7.0 STRATEGIC PLAN 2021/22 - 2025/26 AND IMPLEMENTATION

The entity implemented its strategic plan 2021/22- 2025/26, which addresses the main objective to reduce the burden on the Government of the United Republic of Tanzania to run the National Service core objective of moulding Tanzanian Youth.

To fill the gap of today's challenges, SUMAJKT will consider the Strategic Goals focusing in its objectives and strategies as follows:

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7.1.1 Strategic Goal 1: To Increase SUMAJKT's market share of its products and services

- a. Opening of more outlets of SUMAJKT products and services;
- b. Enhance promotion of SUMAJKT products and services;
- c. To ensure SUMAJKT products and services are of affordable price; and
- d. To ensure timely completion and delivery of SUMAJKT services.

7.1.2 Strategic Goal 2: Enhancement of participation in industrialisation.

- a. Reviving SUMAJKT dormant industries;
- b. Establishment of new industries; and
- c. Entering Joint ventures with other companies in the area of industries.

7.1.3 Strategic Goal 3: Improvement of Financial Management and Fund Mobilization

- a) Computerization of Financial Systems in sub-units and headquarters;
- b) To prepare project proposals that will lead to obtain funds from financial institutions; and
- c) Look for a Joint Venture Partner to finance large projects.

7.1.4 Strategic Goal 4: Enhance the use of modern technology in production.

- a) To acquire modern technology and machines; and
- b) To train staff as per technology changes required.

7.1.5 Strategic Goal 5: Improve and maintain the quality of SUMAJKT products and services

- a) To create awareness of SUMAJKT as an international Brand; and
- b) To Maintain close relationships between SUMAJKT and similar organisations in the region and beyond.

7.1.6 Strategic Goal 6: Prevention of Corruption

- (a) To strengthen the good and moral ethics of SUMAJKT staff in all of their business undertakings; and
- (b) To collaborate with relevant authorities in running in-house training on preventing of corruption.

9. CORPORATE GOVERNANCE

9.1 Directors

The Directors are committed to the principles of good corporate governance and recognize the need to conduct the business in accordance with generally accepted best practices.

9.1.1 Functions

The Board is responsible and accountable for providing effective corporate governance, direction and control of the entity. The directors have a duty to exercise leadership, enterprise, integrity and judgment based on transparency, fairness, accountability and responsibility.

The Board is responsible for appointing Management, adopting a corporate strategy, policies, procedures and monitoring operational performance, including identifying risks impacting the entity. It is also responsible for managing good relationships.

9.1.2 Appointment.

The appointment of directors is regulated by the Memorandum and Articles of Association of the entity, as well as the guidelines issued by the Ministry of Defence and National Service.

All non-executive directors are subject to retirement by rotation and re-election periodically in accordance with the articles of association. Rotation is staggered to ensure continuity of experience and knowledge. The number of terms an individual may serve is not limited. The Companies Act 2002 requires that directors retire at the age of 70 years; however, there is a provision in the law for re-election. In so doing, the directors therefore confirm that:

- a. The Board of Directors will meet four times in the year;
- b. They retain full and effective control over the entity and monitor executive management;
- c. The positions of Chairman and Chief Executive are held by different people;
- d. The Board accepts and exercises responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- e. They bring skills and experience from their own spheres of business to complement the professional experience and skills of the management team.

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9.2 Board meetings

The Board met three times to discuss and decide on the business activities. The following table shows the number of Board meetings held during the financial year 2023/24.

S/N	Date	Attendance	Agenda
1	23 September 2023	10	• Read and correct the minutes of the Board Meeting held on 30 March 2023. • Discussion on recommendations for dividing the regions of SUMAJKT Construction Company (SUMAJKT CCL) to enhance its efficiency. • Review the implementation of the Budget for the financial year (FY) 2022/23. • Discussion on SUMAJKT Ending the partnership with Everlite Africa, which jointly established SUMAJKT Skyzon company for the production of LED lights.
2	15 December 2023	10	• Read and correct the minutes of the Board Meeting held on 23 September 2023. • Budget implementation review for the financial year (FY) 2023/24 and projections for the revenue and Expenditure budget for the financial year (FY) 2023/24. • Discussion on the Board of the Directors Charter and Board of Directors Code of Ethics and Conduct. • Discussion on the establishment of life insurance as a subsidiary company of SUMAJKT
3	08 March 2024	10	• Read and correct the minutes of the Board Meeting held on 15 December 2023 • Presenting the structure of the life insurance company along with the responsibilities of various departments. • Discussion on the plan to improve the livestock farm located in Mafinga JKT within the financial year 2023/24.
4	19 June 2024	9	• Read and correct the minutes of the Board Meeting held on 08 March 2024 • Discussion on the organization Midyear financial Report for the period of six months from 01 June 23 to 31 Dec 23. • Discussion on the implementation of the Budget for the financial year (FY) 2023/24 and the budget estimates for the financial year 2024/25.

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S/N	DATE	ATTENDANCE	AGENDA
2	14 December 2023	5	Discussions on the last quarterly audit report of 2022/23, ending on June 30, 2024, covered the following matters: • SUMAJKT Finance Department under DFA, should submit payment confirmation documents for Dividends to the internal auditors so that the Query of non-payment of Dividends can be resolved • All companies under SUMAJKT HQ should adhere to tax laws and procedures to prevent companies from paying unnecessary costs such as penalties and interest. • Ensuring timely monthly contributions to the headquarters by all companies under SUMAJKT HQ • All Companies under SUMA JKT umbrella should submit the list of their creditors and a plan/strategy to settle those debts. • The establishment of a special committee for the preparation of the agriculture budget aiming to ensure the budget includes all the necessary requirements for that season and eliminates estimation errors.
3	30 March 2024	4	Discussion on the first quarterly report for the FY 2023/24 and the following matters were advised: • SUMAJKT segments and its subsidiary companies should remit all statutory deductions to respective agencies such as PSSSF, TRA, and WCF to avoid unnecessary fines and penalties. • Audit queries should be closely monitored and resolved promptly. • All purchases must go through the SUMAJKT Tender Board. It was ordered that all companies under SUMAJKT with the authority to hire should follow all recruitment procedures like having employee's contracts and paying employees social security benefits.
4	25 May 2024	4	• Discussion on the SUMAJKT Construction third quarter report for the FY 2023/24 and the following matters were advisory; • SUMAJKT Construction zones should send information (return) of their Fixed assets every month SUMAJKT Construction zones should improve enabling projects and introduce job search program to increase Revenue

9.5 Internal Audit

SUMAJKT has an Internal Audit team, headed by Director of Internal Audit, who reports directly to the Executive Directors. The Internal Auditor assists the management to appraise the overall control, financial or otherwise.

9.6 Relationship with External Auditors

External Auditors are responsible for independent review and expression of an opinion, on the truth and fairness of financial statements. The relationship between the Auditors with the Management is good.

10. CAPITAL STRUCTURE

The entity is wholly owned by the Government of the United Republic of Tanzania.

11. MANAGEMENT

The Management of the entity is under the Executive Director (ED) of SUMAJKT and also assisted by Deputy Executive Director (DED) the following are Directors.

- i. Director of Finance and Accounts;
- ii. Director of Procurement and Supply;
- iii. Director of Marketing and Research;
- iv. Director of Business Operation;
- v. Director of Engineering and Consultancy.;
- vi. Development and Planning, Investment and Research;
- vii. Director of Business;
- viii. Director of Human Resource;
- ix. Director of Internal Auditing;
- x. General Farm Manager;
- xi. Director of Industry;
- xii. Director of Legal Services;
- xiii. Director of Business operation;
- xiv. Director of Engineering and Consultancy;
- xv. Director of Agri-business;
- xvi. Director of Public relation;
- xvii. Information Technology unit;
- xviii. Fraud Officer; and
- xix. Public relation officer.

12. FUTURE DEVELOPMENT PLANS.

The future development plans focus on improved benefits and quality service delivery to customers.

13. PERFORMANCE FOR THE YEAR

SUMAJKT Consolidation recorded revenue of TZS 210,718,648,000 during year compared to TZS 177,855,727,000 in year 2022/23. The corporate also reported a surplus of TZS 2,283,528,000. During the year compared to surplus of TZS 7,550,242,000 in year

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2022/23. Surplus decreases by 70% due to the additional contribution to the Government that were made during the year, also there is provision for Expected Credit Loss that occurred due to adoption of the IPSAS 41- Financial Instruments. The detailed operating financial performance of the entity during the year.

14. SOLVENCY

The entity's state of affairs as at 30 June 2024 of the financial statements as at year end, the SUMAJKT Consolidation Current Asset exceeds its current Liabilities by TZS 21,112,908,000

15. SUBSEQUENT EVENT

There are no subsequent events that have occurred which are either to be disclosed or to be adjusted in the financial statements that could materially affect the financial statements.

16. 0 RISK MANAGEMENT

National Services Corporation Sole has the following financial risks.

16.1 Delays in Payments

National Services Corporation Sole handle this problem by establishing and strengthening computerizing accounting system that will enable control and making thorough follow up on debtors.

16.2 Foreign Exchange exposure

National Service Corporation Sole is likely to face loss in exchange due to adverse movement of exchange rate and economic challenges on payment of international transaction. Occasionally National Service Corporation Sole transacts in currencies other than TZS, in such events, foreign currency transaction(s) is (are) translated using BOT exchange rate ruling at the date of transaction(s).

17. 1 Management and Employees 'Relationship

They're continued good relation between employees and management for the year ended 30 June 2024. There were no unsolved complaints received by Management from the employee during the year. A healthy relationship continues to exist between management and employees.

17.2 Training

Training is mainly conducted through in-house courses as and when a need arises. In this financial year, several trainings were conducted according to the employee's professionalism.

17.3 Medical Assistance

Medical care assistance continued to be provided to all members of entity staff Health and Safety. A safe working environment is ensured for all employees by providing

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adequate and proper personal protective equipment, training and supervision as necessary.

17.4 Persons with disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant conceded. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the entity continues and appropriate training is arranged. It is the policy of the entity that training, career development and promotion of disabled persons should, as far as possible be identical to that of other employees.

17.5 Employees' retirement benefits

The entity makes contributions in respect of staff retirement benefits to statutory Social Security Fund.

The entity's obligations in respect of these contributions are limited to 10% of the employee's gross salary which qualifies to be a defined contribution plan.

18 GENDER PARITY

The entity is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes and religion which does not impair ability to discharge duties.

19. RELATED PARTY TRANSACTIONS

Details of transactions and balance with related parties. However, a transaction with related parties is carried out at non- commercial terms. During the financial year there were no related party transactions.

20. ENVIRONMENTAL CONTROL.

National Service Corporation Sole has in place an environmental standard which aims to minimize, waste, cut emissions and conserve energy.

21. CORPORATE SOCIAL RESPONSIBILITY

The entity has corporate policies to offer help with social projects humanitarian causes, educational initiatives and cultural events. In the financial year 2023/24, entity contributed TZS 84,375,000 to the societies.

22. STATEMENT OF COMPLIANCE

The Directors confirm that the report by those charged with governance has been prepared in compliance with TFRS 1 and the requirement of the Public Finance Act [CAP.348 R.E. 2020].

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23. AUDITORS

By the virtue of section 9 and 10 of Public Audit Act, [CAP 418 R.E 2021] the Controller and Auditor General becomes a statutory auditor of National Service Corporation Sole (SUMAJKT)

Approved by the Board of Directors on _____ and signed on its behalf by:

Name: MAJ GEN. FARRAH A. MOHAMED (RTD)

Signature: 

Board Chairman

Name: MAJ GEN. RAJABU N. MABELE

Signature: 

Chief Executive Officer

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

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Companies Act, 2002 requires the Directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the entity as at the end of the financial year. It also requires the Directors to ensure that the entity keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the entity. The Director is also responsible for safeguarding the assets of the entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibilities for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) Accrual Basis as per section 30(4) (a)(b) of the Public Finance Act, chapter 348 revised edition, 2020 and the requirements of the Companies Act 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Entity. The Directors further accept responsibilities for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

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

MAJ GEN. FARRAH A. MOHAMED (RTD)
Name: _____ Signature 
Board Chairman

Date: 28.03.2025

MAJ GEN. RAJABU N. MABELE
Name: _____ Signature 
Chief Executive Officer

Date: 28.03.2025

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

DECLARATION OF HEAD OF FINANCE AND ACCOUNTING

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with the declaration issued by the Head of Finance and Accounts responsible for the preparation of financial statement of the entity concerned. It is the duty of the Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of an entity position and performance in accordance with applicable International Accounting Standards and Statutory Financial Reporting requirements. Full legal responsibility for preparation of financial statements rests with the Board of Directors as under Director's responsibility statement on an earlier page.

I CPA (T) DANIEL C. SHILINGI being the Director of Finance and Accounts of National Service Corporation Sole (SUMAJKT Consolidation) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 JUNE 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of National Service Corporation Sole (SUMAJKT Consolidation) as on that date and that they have been prepared based of properly maintained financial records.

Signed by.....
Position: DIRECTOR OF FINANCE AND ACCOUNTS
NBAA MEMBERSHIP No: ACPA 6175
Date.....*28th March, 2025*.....

**SUMAJKT CONSOLIDATION
COMMENTARY TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

1. INTRODUCTION

This part of the report provides comprehensive information regarding the financial results of the financial year 2023/24 of SUMAJKT Consolidation. The entity has consistently strived to achieve the strategic plan (2021/22-2025/26) through MTEF, which covered the period of 12 months from July 2023 to June 2024.

2. OVERVIEW OF FINANCIAL STATEMENTS

The financial Statements comprises: A statement of financial position; A statement financial performance; A statement of changes in net asset/equity; A cash flow statement; A statement of Comparison of Budget and actual amounts, Notes, comprising a summary of significant accounting policies and other explanatory notes; comparative information in respect of the preceding period of the entity as at 30 June, 2024.

2.1 FINANCIAL POSITION

Financial Position comprises: Cash and cash equivalent, inventories, Property Plant and Equipment, payables, deposits (Advance receipts), Investments (FDR), and Net asset/Equity.

2.1.1 Cash and Cash Equivalent

Cash and cash equivalent as of 30 June 2024 is TZS 10,444,451,000 Compared to TZS 14,001,041,000 these were caused by the impact on IPSAS 41 and business circulation on transactions carried out by the entities.

2.1.2. Inventories

The Financial year ended 30 June 2024 there are inventories of TZS 15,783,088,000 compared to TZS 14,209,514,000 in the previous year. The 11% increase was caused by an increase in purchases that remained unused/ sold at the end of the financial year.

2.1.3. Property Plant and Equipment (PPE)

The total carrying amount for PPE as of 30 June 2024 was TZS 70,344,670,000 as compared to TZS 59,028,112,000 for the financial year ended 30 June 2023. The increase was due to additional assets, a prior year adjustment, the reclassification of biological assets (security dogs) to PPE due to their nature, and a significant change in the estimated useful life in the presentation of PPE, as required by paragraphs 42, 43, and 44 of IPSAS 1, as well as paragraph 47 of IPSAS 3. Accumulated depreciation for the year 2023/24 was TZS 34,010,488,000 compared to the prior year of TZS 34,216,783,000 a decrease by 0.6%.

**SUMAJKT CONSOLIDATION
COMMENTARY TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

2.1.4 Receivables

During the financial year 2023/24 the receivables were TZS 39,082,442,000 compared to the previous year's TZS 74,222,508,000. The receivables decreased by 47% due to the impact of IPSAS 41 as well as the repayments of some receivables by clients.

2.1.5 Prepayments

During the financial year 2023/24 the prepayments were TZS 1,905,500,000 compared to the previous year's TZS 1,705,921,000. The prepayments were increased by 12% due to the acquisition of Property plant and equipment and other services but were yet to be delivered.

2.1.6 Investments (FDR)

During the financial year 2023/24 the investment (Fixed deposit) was TZS 619,150,000 compared to the previous year's TZS 500,000,000. The fixed deposit increased by 24% and will be used as cash cover for various projects, as well as to increase revenue through interest income.

2.1.7 Investment Properties

During the financial year 2023/24 the investment property was TZS 8,099,082,000 compared to the previous year TZS 9,340,688,000. It decreased by 13% due to the transfer of investment properties of Logistics Company Limited to Property, Plant, and Equipment (PPE).

2.1.8 Payables and Accruals

The outstanding payables and accruals as of 30 June 2024 were TZS 28,686,170,000 for Supplier's claims, compared to TZS 21,070,746,000, increased by 36% due to increases in credit purchases of Suppliers of goods.

2.1.9 Short Term Borrowing

During the financial year 2023/24 SUMAJKT had a short-term borrowing balance of TZS 794,460,000 compared to the previous year of TZS 1,146,973,000, which decreased by 31% due to the repayments on borrowing on time.

2.1.10 Advance Receipt

During the financial year 2023/24 the advance receipt was TZS 551,753,000 compared to the previous year TZS 275,172,000. Increase by 101% this amount was paid in advance by the client for service.

2.1.11 Employee Benefits Obligations

During the year ended 30 June 2024, employee benefits obligation was TZS 11,116,188,000 as compared to TZS 6,655,695,000 for the previous year. It increased by 67% due to less collection of monthly revenues and the entity failed to pay some obligations on time.

SUMAJKT CONSOLIDATION
COMMENTARY TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2.1.12 Net Asset/ Equity

SUMAJKT Consolidated had the Net Asset of TZS 54,995,970,000 as of 30 June 2024 as compared to TZS 96,181,208,000 in the previous year. The decrease by 43% was due to the impact on IPSAS 41 on calculating the expected credit loss from cash and cash equivalent and Receivables.

3.2.0 FINANCIAL PERFORMANCE

SUMAJKT Consolidation recorded revenue of TZS 210,718,648,000 during the year compared to TZS 177,855,727,000 in the year 2022/23. The revenues increased by 18% due to an increase in revenues from its subsidiary companies.

3.2.1 Wages, Salaries, and Employees Benefits

During the year ended 30 June 2024 expenses for wages, salaries and employee benefits were TZS 59,044,352,000 as compared to TZS 45,533,356,000 for the previous year which is an increase of 30% was caused by an increase on wages from the national project carried out in the Msomera (Tanga) project as well as at Dodoma government city office.

3.2.2 Supplies and Consumable Goods

During the year ended 30 June 2024 expenses for supplies and consumable goods was TZS 135,991,242,000 compared to TZS 114,344,865,000 for the year ended 30 June 2023 which is an increase of 19% was caused by an increase on operation in the construction project at Dodoma government city office.

3.2.3 Maintenance expenses

Total expenditure is TZS 3,451,350,000 for Maintenance expenses compared to expenses for the previous year of TZS 2,058,686,000 which an increase of 68% occurred for maintenance and repair of construction equipment such as Excavations and wheel loader, Spare parts, and Tires and Batteries.

3.2.4 Transfer to other entities

Details of transactions and balance with transfer to other entities are disclosed in note 24 to the financial statements, during the year entity transfer to other entities was TZS 2,303,000,000 compared with the previous year amount of TZS 489,560,000. The increase by TZS 1,813,440,000 is due to repayments of the treasury contribution for the years 2022/23 and 2023/24.

3.2.5 Finance cost

During the financial year 2023/24, the entity recorded a financial cost of TZ 1,711,806,000 compared to the financial cost for the previous year of TZS 1,252,994,000, there is a 37% increase, caused by an increase in bank transactions related to performance bonds.

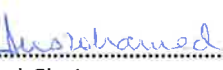
3.2.6 Depreciation

During the financial year 2023/24, the entity recorded a depreciation of TZS 4,135,341,000 relating to the Non-Current Assets compared to TZS 5,679,084,000 the previous year. There is a decrease on depreciation by 27% due to the changes of PPE accounting estimates.

SUMAJKT CONSOLIDATED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

ASSETS	Notes	2023/24	2022/23
Current assets		TZS '000	TZS '000
Cash and cash equivalents	28	10,444,451	14,001,041
Investments (FDR)	29	619,150	500,000
Receivables	30	39,082,442	74,222,508
Prepayments	33	1,905,500	1,705,921
Tax recoverable	33	380,000	380,000
Loans issued	31	0	146,380
Inventories	32	15,783,088	14,209,514
Total current asset		68,214,631	105,165,364
Non-current assets			
Investment properties	34	8,099,082	9,340,688
Property, plant and equipment	43	70,344,670	59,028,112
Working in Progress (WIP)	43	0	1,898,518
Biological assets	44	1,915,970	1,813,630
Intangible assets	45	1,000	1,500
Investments in associates and joint ventures	46	7,381,275	7,381,275
Total Non- Current Asset		87,741,998	79,463,723
TOTAL ASSETS		155,956,628	184,629,087
LIABILITIES			
Current liabilities			
Payables and accruals	36	28,686,170	21,070,746
Tax Payable (Previous years)	27	1,299,045	1,299,045
Tax Payable (Current years)	27	4,654,107	4,134,647
Advance receipt	36	551,753	275,172
Short-term borrowings	37	794,460	1,146,973
Employee benefits obligations	39	11,116,188	6,655,695
Total Current Liabilities		47,101,723	34,582,278
Non-current liabilities			
Long-term borrowings	38	53,858,935	53,865,601
Total Non - Current Liabilities		53,858,935	53,865,601
TOTAL LIABILITIES		100,960,658	88,447,879
NET ASSETS		54,995,970	96,181,208
NET ASSETS			
Taxpayers Funds		53,898,354	53,898,354
Accumulated Surplus		1,097,616	42,282,854
TOTAL NET ASSETS		54,995,970	96,181,208


.....
Board Chairman

Date 28.03.2025
.....

**SUMAJKT CONSOLIDATED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2023/24 TZS '000'	2022/23 TZS '000'
Revenue			
Receipt from Commission	13	1,328,310	606,027
Revenue from exchange transactions	15	209,115,065	176,592,936
Finance income	16	43,458	38,472
Other revenue	17	98,279	442,902
Gain on Biological asset	19	133,536	175,902
		<u>210,718,648</u>	<u>177,855,727</u>
Expenses			
Wages, salaries and employee benefits	20	59,044,352	45,533,356
Social benefits	21	103,969	107,808
Supplies and consumables used	22	135,991,242	114,344,865
Maintenance expenses	23	3,451,350	2,058,686
Transfers to other Entities	24	2,303,000	489,560
Finance Cost	25	1,711,806	1,252,994
Expected credit loss	28&30	313,159	0
Depreciation of property, plant and equipment	43	4,135,341	5,679,084
Loss on assets (death of security dogs)	43	8,500	0
loss on Biological Asset due to death	44	0	10,687
loss on Biological Asset due to degradation	44	0	10,049
Amortization of intangible assets	45	500	500
Total Expenses		<u>207,063,219</u>	<u>169,487,589</u>
Share of associates surplus	46	0	104,432
Tax expenses	27	1,371,901	922,328
Surplus during the year		<u>2,283,528</u>	<u>7,550,242</u>

Shahabuddin
Board Chairman

Date...28.03.2025

SUMAJKT CONSOLIDATED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Taxpayers Funds	Accumulated Surplus / (Deficit)	Total
	TZS '000	TZS '000	TZS '000
As at 01 July 2023	53,898,354	42,282,854	96,181,208
Prior period adjustment PPE 43		4,350,136	4,350,136
Changes in initial Application of IPSAS 41 (Cash and Cash equivalent and receivables)	0	(47,818,902)	(47,818,902)
Restated balance as at 01 July 2023	53,898,354	(1,185,912)	52,712,442
Surplus during the year	0	2,283,528	2,283,528
As at 30 June 2024	<u>53,898,354</u>	<u>1,097,617</u>	<u>54,995,970</u>
 As at 01 July 2022	 53,898,354	 33,701,338	 87,599,692
Prior period adjustments on PPE (see note 43)	0	700,618	700,618
Prior period adjustments on biological asset (see note 44)	0	294,179	294,179
Error on tax assessment	0	36,477	36,477
Restated balance as at 01 July 2022	53,898,354	34,732,612	88,630,966
Surplus during the year	0	7,550,242	7,550,242
 As at 30 June 2023	 <u>53,898,354</u>	 <u>42,282,854</u>	 <u>96,181,208</u>



 Board Chairman

Date 28.03.2025

SUMAJKT CONSOLIDATED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

		2023/24 TZS '000	2022/23 TZS '000
Cash flows from operating activities	Notes		
Receipt			
Receipt from Commission	13	1,324,773	581,144
Revenue from exchange transactions	15	195,327,848	157,398,590
Finance income	16	33,750	34,722
Other revenue	17	98,279	437,116
Total receipt		196,784,650	158,451,572
Payments			
Wages, salaries and employee benefits	20	(54,555,088)	(41,884,943)
Social benefits	21	(132,740)	(180,175)
Supplies and consumables used	22	(129,900,525)	(113,228,696)
Maintenance expenses	23	(3,453,201)	(2,045,282)
Finance Cost	25	(1,711,806)	(1,252,994)
Estimated corporate Tax paid	27	(119,912)	(110,404)
Advance payment on	30	0	(1,451,212)
Advance payment on Plant and machinery	33	(454,202)	(173,857)
Transfers to other Entities	24	(2,303,000)	(453,850)
Total payments		(192,630,474)	(160,781,413)
Net cash flows from/(used) in operating activities		4,154,176	(2,329,841)
Cash flows from investing activities			
Investments on properties	34	0	(2,394,880)
Working in progress on investment (WIP)	34	0	(1,289,378)
Acquisition of property, plant, and Equip	43	(7,248,277)	(4,123,050)
Working in progress on PPE (WIP)	43	0	(1,747,601)
Acquisition of biological assets	44	(4,004)	(12,900)
Investments on FDR	29	(119,150)	0
Receipts from investment properties	46	0	10,000
Net cash from investing activities		(7,371,431)	(9,557,809)
Cash flows from financing activities			
Loan recoverable	31	146,380	0
Advance received from customers (Deposits)	36	551,753	275,172
Cash repayments of short-term borrowings	37	(831,568)	(496,864)
Cash repayments of long-term borrowings	38	(6,666)	0
Net cash flows from financing activities		(140,101)	(221,692)
Net increase/(decrease) in cash and cash equivalents		(3,357,356)	(12,109,343)
Cash and cash equivalents at start		14,001,041	26,110,384
Cash and cash equivalents at end		10,643,685	14,001,041

.....
 Board Chairman

Date 28.03.2025

**SUMAJKT CONSOLIDATED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2024
(Budget Prepared on Cash Basis)

	Original Budget {A}	Final Budget C- {A+/-B}	Actual on Comparable Basis {D}	Difference {C-D}	Variance in percentage
	TZS '000	TZS '000	TZS '000	TZS '000	
Revenue					
Income from Commission	800,000	800,000	1,324,773	(524,773)	-65.6%
Revenue from exchange transactions	342,000,000	342,000,000	195,327,848	146,672,152	42.9%
Finance income	33,750	33,750	33,750	0	0.0%
Other revenue	100,000	100,000	98,279	1,721	1.7%
Advance receipt	0	0	551,753	(551,753)	0.0%
Cash proceeds from loans	0	0	146,380	(146,380)	0.0%
	<u>342,933,750</u>	<u>342,933,750</u>	<u>197,482,783</u>	<u>145,450,967</u>	
Expenses					
Wages, salaries and employee benefits	60,000,000	60,000,000	54,555,088	5,444,912	9.1%
Social benefits	140,000	140,000	132,740	7,260	5.2%
Supplies and consumables used	240,000,000	240,000,000	129,900,525	110,099,475	45.9%
Maintenance expenses	3,800,000	3,800,000	3,453,201	346,799	9.1%
Transfers to other Entities	1,302,000	1,302,000	2,303,000	(1,001,000)	-76.9%
Finance Cost	1,900,000	1,900,000	1,711,806	188,194	9.9%
Estimated corporate Tax	500,000	500,000	119,912	380,088	76.0%
Cash repayments on short term borrowing	831,568	831,568	831,568	0	0.0%
Capital expenditure					
Acquisition of property, plant and equipment	18,000,000	18,000,000	7,248,277	10,751,723	59.7%
Acquisition of Biological asset	200,000	200,000	4,004	195,996	98.0%
Investment FDR	150,000	150,000	119,150	30,850	20.6%
Repayment on Long term borrowing	36,000	36,000	6,666	29,334	81.5%
Investment properties	6,000,000	6,000,000	0	6,000,000	100.0%
	<u>332,859,568</u>	<u>332,859,568</u>	<u>200,840,139</u>	<u>132,019,429</u>	
Net Receipts/Payments	<u>10,074,182</u>	<u>10,074,182</u>	<u>(3,357,356)</u>	<u>13,431,538</u>	




Board Chairman

Controller and Auditor General

AR/CG/NT 39/SUMAJKT CORPORATION SOLE/2023/24

**SUMAJKT CONSOLIDATED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

**RECONCILIATION OF BUDGET AND ACTUAL AMOUNTS AND STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 30 JUNE 2024**

	DESCRIPTION	OPERATING	INVESTING	FINANCING	TOTAL
RECEIPT					
Receipt from Commission		1,324,773			1,324,773
Revenue from exchange transactions		195,327,848			195,327,848
Finance income		33,750			33,750
Other revenue		98,279			98,279
PAYMENTS					
Wages, salaries and employee benefits		(54,555,088)			(54,555,088)
Social benefits		(132,740)			(132,740)
Supplies and consumables used		(129,900,525)			(129,900,525)
Maintenance expenses		(3,453,201)			(3,453,201)
Transfers to other Entities		(2,303,000)			(2,303,000)
Finance Cost		(1,711,806)			(1,711,806)
Estimated corporate Tax paid		(119,912)			(119,912)
Advance payment on Plant and machinery		(454,202)			(454,202)
Acquisition of property, plant, and equipment			(7,248,277)		(7,248,277)
Acquisition of biological assets			(4,004)		(4,004)
Investments on FDR			(119,150)		(119,150)
Loan recoverable				146,380	146,380
Advance received from customers (Deposits)				551,753	551,753
Cash repayments of short- term borrowings				(831,568)	(831,568)
Cash repayments of long -term borrowings				(6,666)	(6,666)
Basis differences		N/A	N/A	N/A	N/A
Timing differences		N/A	N/A	N/A	N/A
Entity differences		N/A	N/A	N/A	N/A
Actual amount in statements of Cashflow		4,154,176	(7,371,431)	(140,101)	(3,357,356)


Board Chairman

Date 28.03.2025

SUMAJKT CONSOLIDATED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

**RECONCILIATION OF NET CASHFLOW FROM OPERATING ACTIVITIES TO SURPLUS FOR
THE YEAR ENDED 30 JUNE 2024**

	2023/24	2022/23
	TZS '000	TZS '000
Surplus from Ordinary Activities	2,283,528	7,550,242
Adjustments for non-Cash Movements		
Depreciation	4,135,341	5,679,084
Death PPE on Biological	8,500	0
Amortization	500	500
		0
Tax recoverable	(119,912)	(110,404)
Increase in Prepayments	(33,836)	(1,669,444)
Increase by gain biological asset	(140,783)	(175,390)
Decrease in biological by death	7,247	20,922
Decrease in Prior year insurance	(80,852)	35,710
Additions receivable on FDR	(43,458)	
Advance receipt (non -Cash)	(275,172)	(6,161,142)
		0
Expected Credit Loss-cash	(199,234)	0
Increase in receivables	(12,410,430)	(12,982,080)
Employees obligation	4,460,493	3,576,046
Decrease in amount to be collected on FDR	934	
Increase in tax payables	519,460	732,167
Increase in Payables	7,615,424	2,561,950
Increase in inventory	(1,573,574)	(1,388,002)
Net Cash Flows from Operating Activities	4,154,176	(2,329,841)

Murhamed
.....
Board Chairman

Date..... 22.03.2025

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES

1. COMPANY INFORMATION

REGISTERED OFFICE AND PLACE OF BUSINESS

Mlalakuwa Kawe
P.O.BOX 1694
Mwai Kibaki Road
Dar es Salaam.

COMPANY BANKERS

CRDB Bank PLC
Mikocheni Branch
P.O.Box 35409
Dar es salaam.

COMPANY BANKERS

National Bank of Commerce Limited
NBC House Azikiwe Street/Sokoine drive
P.O.Box 1863
Dar es salaam.

ENTITY LAWYERS

Directorate of Legal Services
Mlalakuwa
P.O. Box 1694,
Dar es Salaam.

AUDITORS

The Controller and Auditor General,
National Audit Office,
Audit House,
4 Mahakama Road,
P.O. Box 950,
41104 Tambukareli,
DODOMA.
Tel: 255(026) 2161200,
Fax : 255 (026) 2321245,
E-mail : ocag @nao .go.tz
Website: [www.nao.go .tz](http://www.nao.go.tz)