



THE UNITED REPUBLIC OF TANZANIA

**AUDITED REPORTS BY THOSE CHARGED WITH GOVERNANCE AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020**

**Government City – Mtumba,
Treasury Avenue,
P. O. Box 2802,
40468 Dodoma,
Tanzania.**

March, 2021

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

TABLE OF CONTENTS

AUDITED REPORTS BY THOSE CHARGED WITH GOVERNANCE	i
LIST OF ABBREVIATIONS AND ACRONYMS	I
LIST OF TABLES	III
GENERAL INFORMATION.....	1
STATEMENT BY THE HONORABLE MINISTER	2
STATEMENT BY THE PAYMASTER GENERAL.....	5
MANAGEMENT RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS	6
DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTING UNIT	7
COMMENTARY ON THE FINANCIAL STATEMENTS.....	8
AUDITED CONSOLIDATED FINANCIAL STATEMENTS	19
STATEMENT OF FINANCIAL PERFORMANCE	20
STATEMENT OF FINANCIAL POSITION	21
STATEMENT OF CHANGES IN NET ASSETS	22
CASH FLOW STATEMENTS.....	23
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS.....	24
1. GENERAL INFORMATION.....	25
2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION.....	25
3. SCOPE OF CONSOLIDATION	25
4. AUTHORIZATION DATE	25
5. REPORTING ENTITY.....	26
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	31
7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS.....	46
8. FUTURE CHANGES IN ACCOUNTING POLICIES	47
8. FUTURE CHANGES IN ACCOUNTING POLICIES (CONTINUED)	48
9. EXCHANGE RATES.....	48
10. RISKS MANAGEMENT	48
10. RISKS MANAGEMENT	49
11. APPROVED BUDGET AND COMPOSITION OF BUDGET AND ACTUAL AMOUNTS.....	49
12. SEGMENTAL INFORMATION.....	50
13. ELIMINATION ADJUSTMENTS	56
14. EXCHEQUER (ISSUED)/RECEIVED.....	59
15. TAX REVENUE	61
16. REVENUE FROM EXCHANGE TRANSACTIONS.....	61
17. SOCIAL CONTRIBUTIONS	62
18. EXTERNAL ASSISTANCE (GRANTS AND AIDS).....	62
19. FINANCE INCOME.....	63
20. LEVIES	63
21. FEES, FINES, PENALTIES AND FORFEITS.....	64
22. OTHER REVENUE.....	64
23. LGA OWN SOURCE REVENUE	65
24. DEBT FORGIVENESS	65
25. 15% OF REVENUE (DIVIDEND) TRANSFER FROM/(TO) THE GOVERNMENT ENTITIES	65
26. FAIR VALUE GAINS ON EQUITY INVESTMENTS.....	65
27. FAIR VALUE GAINS ON GOVERNMENT SECURITIES.....	65
28. FAIR VALUE GAINS ON INVESTMENT PROPERTIES.....	66
29. FAIR VALUE GAINS ON BIOLOGICAL ASSETS.....	66
30. FAIR VALUE GAINS ON ACTUARIAL VALUATION OF DEFINED BENEFIT PLANS	66
31. FAIR VALUE GAINS ON FINANCIAL ASSETS.....	66
32. FAIR VALUE GAINS ON MARKETABLE SECURITIES	66
33. GAINS ON FOREIGN CURRENCY TRANSLATION.....	66

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

34.	GAIN ON DISPOSAL OF ASSETS.....	66
35.	EXCHEQUER REVENUE.....	66
36.	SUBVENTION FROM OTHER GOVERNMENT ENTITIES.....	66
37.	GRANTS, TRANSFERS AND SUBSIDIES RECEIVED.....	66
38.	SHARE OF DEFICIT OF ASSOCIATES AND JOINT VENTURES.....	66
39.	WAGES, SALARIES AND EMPLOYEE BENEFITS.....	67
40.	SUPPLIES AND CONSUMABLES USED.....	68
41.	ROUTINE REPAIRS AND MAINTENANCE EXPENSES.....	71
42.	SOCIAL BENEFITS.....	73
43.	FINANCE COST.....	73
44.	OTHER EXPENSES.....	74
45.	PROVISION FOR OBSOLETE INVENTORIES.....	75
46.	SUBVENTIONS TO OTHER GOVERNMENT ENTITIES.....	75
47.	GRANTS, TRANSFERS AND SUBSIDIES ISSUED.....	76
48.	DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT.....	76
49.	DEPRECIATION OF INVESTMENT PROPERTIES.....	76
50.	AMORTISATION OF INTANGIBLE ASSETS.....	76
51.	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT.....	77
52.	IMPAIRMENT OF INTANGIBLE ASSETS.....	77
53.	IMPAIRMENT OF INVESTMENT PROPERTY.....	77
54.	IMPAIRMENT OF RECEIVABLES.....	77
55.	IMPAIRMENT OF LOANS.....	77
56.	IMPAIRMENT OF GOVERNMENT SECURITIES.....	77
57.	FAIR VALUE LOSSES ON EQUITY INVESTMENTS.....	77
58.	FAIR VALUE LOSSES ON GOVERNMENT SECURITIES.....	77
59.	FAIR VALUE LOSSES ON INVESTMENT PROPERTIES.....	78
60.	FAIR VALUE LOSSES ON BIOLOGICAL ASSETS.....	78
61.	FAIR VALUE LOSSES ON ACTUARIAL VALUATION OF DEFINED BENEFIT PLANS.....	78
62.	FAIR VALUE LOSSES ON FINANCIAL ASSETS.....	78
63.	FAIR VALUE LOSSES ON MARKETABLE SECURITIES.....	78
64.	LOSSES ON FOREIGN CURRENCY TRANSLATION.....	78
65.	LOSSES ON DISPOSAL OF ASSETS.....	78
66.	TAX EXPENSES.....	78
67.	SUBSIDIES AND TRANSFERS.....	78
68.	REVENUE TRANSFERS TO PMG/CONSOLIDATED FUND.....	78
69.	SHARE OF SURPLUS OF ASSOCIATES AND JOINT VENTURES.....	78
70.	CASH AND CASH EQUIVALENT.....	79
71.	FIXED DEPOSITS / PLACEMENTS - WITH PRIVATE BANKS.....	79
72.	HOLDINGS OF SPECIAL DRAWING RIGHTS (SDRs).....	79
73.	QUOTA IN INTERNATIONAL MONETARY FUND (IMF).....	80
74.	FOREIGN CURRENCY MARKETABLE SECURITIES.....	80
75.	EQUITY INVESTMENTS.....	81
76.	GOVERNMENT SECURITIES.....	81
77.	RECEIVABLES.....	83
78.	LOANS RECEIVABLES.....	83
79.	PREPAYMENTS.....	83
80.	INVENTORIES.....	83
81.	DEFERRED CURRENCY COST.....	84
82.	OTHER FINANCIAL ASSETS.....	84
83.	ESCROW ACCOUNTS.....	84
84.	RETIREMENT BENEFIT ASSETS.....	84
85.	INVESTMENT PROPERTY.....	85
86.	PROPERTY, PLANT AND EQUIPMENT.....	86

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

87.	INTANGIBLE ASSETS	90
88.	BIOLOGICAL ASSETS	91
89.	INVESTMENT IN ASSOCIATES AND JOINT VENTURES	92
90.	INVESTMENTS IN SUBSIDIARIES.....	94
91.	INVESTMENTS IN LOCAL GOVERNMENT LOANS BOARD (LGLB)	95
92.	NON-CURRENT ASSETS HELD FOR SALE	95
93.	PAYABLES AND ACCRUALS.....	95
94.	CURRENCY IN CIRCULATION	96
95.	DEPOSITS – BANKS AND NON-BANKS FINANCIAL INSTITUTIONS	96
96.	DEPOSIT FROM GOVERNMENTS	96
97.	DEPOSITS – OTHERS	96
98.	FOREIGN CURRENCY FINANCIAL LIABILITIES.....	97
99.	INTERNATIONAL MONETARY FUND (IMF) RELATED LIABILITIES	97
100.	ALLOCATION OF SPECIAL DRAWING RIGHTS (SDRs).....	97
101.	BORROWING (PUBLIC DEBTS)	98
102.	OTHER BORROWINGS BY GOVERNMENT ENTITIES.....	102
103.	BOT LIQUIDITY PAPERS.....	102
104.	OTHER FINANCIAL LIABILITIES.....	103
105.	PENSION FUNDS ACTUARIAL LIABILITIES	103
106.	EMPLOYEES BENEFIT LIABILITIES.....	103
107.	RETIREMENT BENEFITS OBLIGATIONS.....	103
108.	PROVISIONS.....	104
109.	DEFERRED INCOME (REVENUE).....	104
110.	DEFERRED INCOME (DEVELOPMENT)	104
111.	STATEMENT OF GUARANTEES	105
112.	FUNDS OPERATING WITH MDAS.....	108
113.	CONTINGENT LIABILITIES AND ASSETS	109
114.	STATEMENT OF LOSSES	110
115.	CREDIT RISK.....	111
116.	LIQUIDITY RISK.....	112
117.	RELATED PARTY DISCLOSURE	113
118.	EVENTS AFTER THE REPORTING DATE	113
119.	TAX COMMITMENTS AND CONTINGENCIES	113
120.	TAX EXEMPTION AND RELIEF.....	116
121.	NATURAL RESOURCES AND TOURISM.....	117
122.	COMMITMENTS	119
123.	QUOTED PRICES OF SHARES	120
124.	RESTATEMENT OF PRIOR YEAR BALANCES.....	121
	INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	123



AUDITED REPORTS BY THOSE CHARGED WITH GOVERNANCE

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020

LIST OF ABBREVIATIONS AND ACRONYMS

ACGEN	Accountant General
AG	Attorney General
ASDP	Agriculture Sector Development Programme
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CPA	Certified Public Accountant
CPO	Central Payment Office
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
DGAM	Director of Government Assets Management
EFT	Electronic Fund Transfer
ESAAG	Eastern and Southern African Association of Accountants General
EUL	Expected Useful Life
EWURA	Energy, Water and Utilities Regulatory Authority
GAVP	Generally Accepted Valuation Principles
GBE	Government Business Entity
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
HQ	Head Quarter
IFMS	Integrated Financial Management System
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
LAAC	Local Authority Accounts Committee
LAN	Local Area Network
LGAs	Local Government Authorities
MDA's	Ministries, Departments and Agencies
MoFP	Ministry of Finance and Planning
MPLS	Multi-Protocol Label Switching
MTEF	Medium Term Expenditure Framework
NBAA	National Board of Accountants and Auditors
NGOs	Non-Government Organizations
NRD	National Revenue Database
NSGRP	National Strategy for Growth and Reduction of Poverty
PAC	Public Accounts Committee
PFMRP	Public Finance Management Reform Programme
PMG	Paymaster General
PO-RALG	President's Office – Regional Administration and Local Government
PMU	Procurement Management Unit
PPP	Public Private Partnership
PSE	Public Sector Entities
PST	Permanent Secretary Treasury
RAS	Regional Administrative Secretariat
ROs	Religious Organizations
SDU	System Development Unit
SNA	System of National Accounts

THE GOVERNMENT OF TANZANIA

**REPORTS BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

LIST OF ABBREVIATIONS AND ACRONYMS (CONTINUED)

TBA	Tanzania Bulding Agency
TCRA	Tanzania Communication Regulatory Authority
TIRA	Tanzania Insurance Regulatory Authority
TISS	Tanzania Interbank Settlement System
TPA	Tanzania Ports Authority
TPDF	Tanzania People's Defense Force
TVC	Treasury Voucher
UPS	Uninterrupted Power Supply
US	United States
VPN	Visual Private Networks
VSAT	Very Small Aperture Terminal
WAN	Wide Area Network

THE GOVERNMENT OF TANZANIA

**REPORTS BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

LIST OF TABLES

Table 1: Tax Revenue Trend 15

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

GENERAL INFORMATION

The United Republic of Tanzania was formed on 26th April 1964 out of the union of two Eastern Africa sovereign states of Tanganyika and Zanzibar. This Consolidated Financial Statements for the financial year 2019/2020, provide a record of the Government of the United Republic of Tanzania with the Ministerial transactions that crosses over; and includes statement of financial performance, statement of financial position, cash flows statement, statement of change in net assets / equity, notes to the financial statements and statement of comparison of budget versus actual for the year ended 30th June 2020.

The Governance structure of the Country is a unitary presidential democratic republic, whereby the President is both the head of state and head of government; Executive power is exercised by the Government, Legislative power is vested on the Parliament and the Judiciary is independent of the executive and the legislature. The Public Sector Entities (PSEs) consist of all institutional units controlled directly, or indirectly, by government that is, all units of the general government sector (Central Government, Regional Secretariats, Social Security Funds and Local Government Authorities) and public corporations (financial public corporations and non-financial public corporations). General Government also includes public enterprises, legally constituted as corporations, but that do not satisfy the criteria to be treated as corporations.

It is the Government's duty and responsibility to ensure that, service delivery is improved and income is equitably distributed across the jurisdiction by promoting entities within the Public Sector. In order to enhance accountability and transparency, the Government requires all PSE to keep proper books of accounts that comply with the Generally Accepted Accounting Principles, Public Finance Act, Cap 348 with a number of Finance Acts that amended some sections, International Public Sector Accounting Standards (IPSAS) and other Guidelines and Directives as may be prescribed by the Paymaster General and the National Board of Accountants and Auditors (NBAA). The Bank of Tanzania (BoT) is the official Banker of the Government of the United Republic of Tanzania. Furthermore, the Attorney General is the legal counsel of the Government and handles litigations and all legal matters involving the Government and its entities. The details and physical address of Ministry of Finance and Planning, Bank of Tanzania, Controller and Auditor General and Attorney General are as detailed herein below:

PRINCIPAL PLACE OF BUSINESS Ministry of Finance and Planning, Government City - Mtumba, Treasury Avenue, P. O. Box 2802, 40468 Dodoma; Tanzania.	RESPONSIBILITY FOR NATIONAL CONSOLIDATION ACCOUNTS Paymaster General, Ministry of Finance and Planning, Government City - Mtumba, Treasury Avenue, P. O. Box 2802, 40468 Dodoma; Tanzania	AUDITORS Controller and Auditor General, The National Audit Office, 4 Ukaguzi Road, P. O. Box 950, 41104 Tambukareli, Dodoma; Tanzania.
BANKER Bank of Tanzania 2 Mirambo Street P. O. Box 2939 11884 Dar es Salaam Tanzania	LAWYERS Attorney General, Government City – Mtumba, Plot 20, P. O. Box 630, Dodoma; Tanzania.	

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

STATEMENT BY THE HONORABLE MINISTER

Building a solid foundation for Public Finance Management

I am pleased to report that, the year 2019/20 has been yet another financial year of many success stories for the country. The year saw Tanzania attain its vision of becoming a middle income economy country five years ahead of the target year 2025. Despite of the Covid-19 Pandemic, the economy grew by 5% of GDP being the highest growth rate in the continent and one among the best growth rates in the world. In 2019, GDP grew by 7.0 attributed to continued strengthening of mining sector; improvement of transport and transportation services; implementation of various development projects including construction of roads, railways, airports and power generation projects; and construction as well as rehabilitation of health care facilities. It was during this financial year, Tanzania witnessed commencement of construction of the largest ever hydro power project in the country, the Julius Nyerere Hydro power dam project estimated to cost TZS 6.558 trillion.

Further, This translated into, GDP per capita of TZS 2,577,967 in 2019 compared to 2,452,406 TZS in 2018, equivalent to an increase of 5.1 percent. Inflation continued to be contained at single digit of 3.2 percent as of June 2020 compared to 3.7 percent in the corresponding period 2019. In financial year 2018/19, Gross Foreign official reserve was US dollar 4,395.2 million at the end of April 2019, that was sufficient to cover 4.3 months of projected import of goods and services above the country's benchmark of not less than 4 months. The Government has continued to implement effective policies and programs to improve people's lives and reduce poverty. The Development of the Poverty Monitoring and Evaluation System, this system has identified all the indicators of poverty, including the outcome of the implementation of Sustainable Development Goals (SDGs) 2030. These indicators have been incorporated in the Local Government Monitoring Database. These indicators include Agriculture, Fishing, Livestock, Environment, Education, Health, Water, Social protection, Employment and Gender; and Launching of the National Microfinance Policy 2017 and its implementation strategy.

Resource Mobilization

i. Domestic Revenue

Domestic revenue (excluding LGAs own sources) in 2019/20 reached TZS 20,329.81 billion, equivalent to 91.3 percent of the approved revenue estimate of TZS 22,279.84 billion. Of this, tax revenue was TZS 19,987.53 billion, equivalent to 105 percent of the estimated target of TZS 19,100.93 billion, while non-tax revenue was TZS 2,698.89 billion, equivalent to 84.9 percent of the estimated target of TZS 3,178.92 billion. The Government has strengthened management of existing sources by intensifying the use of electronic collection systems and widening tax base by formalization of the informal sector, creating conducive environment to attract business and investment. Moreover, the Government has improved supportive infrastructure, Tax incentives, Policy stability and predictability, Land accessibility and, well structured legal and regulatory frameworks to increase domestic revenue.

ii. Grants and Concessional Loans

During the year 2019/20, the Government planned to mobilize grants and concessional loans amounting to TZS 2,783.68 billion. As at 30th June 2020, TZS 1,832.86 billion were received, which is equivalent to 65.8 percent of the approved estimates of the grants and concessional loans realized, TZS 213.411 billion were from Budget Support; TZS 252.58 billion from Basket Fund; and TZS 906.26 billion were for development projects.

iii. Government Borrowing

In 2019/20, the Government planned to borrow TZS 4,959.99 billion from the domestic market, of TZS 5,028.69 billion equivalent to 101.3 percent of the target were mobilized. Furthermore, the Government planned to borrow TZS 2,316.40 billion from non-concessional sources to finance development projects. As of 30th June 2020, TZS 2,647.05 billion were raised, equivalent to 114.3

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

STATEMENT BY THE HONORABLE MINISTER (Continued)

percent of the target. Non-achievement of the target is largely attributed to delayed conclusion of expected loan from a lender due to COVID-19 pandemic.

Public Expenditure Control and Management

In an effort to continue improving expenditure control and management of public funds, the Ministry implemented several initiatives including; verification of arrears for 235 Public Sector Entities (PSEs) to ensure amount claimed by Supplier of goods and services, Contractors and staff are accurate before effecting payments; Facilitated special audit on 25 construction projects to ensure value for money. The audited projects included VETA; TBA; NIRC; DUWASA; Kinyerezi II- 240MW Combined Cycle Power Plant; New Terminal Building at five Airports among others. The Ministry also developed the Government Internal Audit Management Information System (GIAMIS) in order to strengthen the internal audit functions in public sector.

Financial Information System Management

Further, the Ministry of Finance and Planning designed, installed and managed several financial information systems in order to strengthen the management of public funds. Interventions that were undertaken are; interfacing of Electronic Financial Management Information Systems (EFMS) to ensure information are exchanged in a harmonized environment through Application Programming Interface (API). Interfaces were implemented to Higher Education Students' Loan Board, NSSF, PSSF, CRDB Bank, WCF, TUNAKOPESHA Ltd, NMB Bank, TPB Bank and CWT systems to ensure employees' deduction information are automatically obtained from Government Salary Payment Portal (GSPP).

Additionally, 176 PSEs were integrated with GePG system, making the number of Government entities using the System reach 650 by June, 2020. GePG system was improved to enable online reconciliation, improving Control Number by extending its expiring period and developing GePG Mobile Application to facilitate system's services. Three (3) financial systems were reviewed and upgraded including; Government Accounting Consolidation System - GACS, Government Employee Loan System and Government Audit Report Implementation – Information Tracking System – GARI – ITS. Moreover, other four (4) financial systems were developed and operationalized which are; Government Payment and Accounting System – MUSE; D-Funds Management Information System; Tax Exemption Management Information System; and the National Development Projects Management Information System. The Government also successfully implemented dedicated initiatives to improve pension services to our senior citizens; Prepared pensioners' electronic identities which are in a form of smart cards system; Improved the Treasury Pensioners Payment System (TPPS) and connected 26 sub-treasury offices across the Country. These initiatives will ultimately enable smooth provision of pension services electronically, control "Mirathi" funds which flows from treasury to beneficiary's bank accounts and pay pension and "Mirathi" fund to respective beneficiaries on time.

Government Asset Management

To enhance accountability and transparency in management of Government assets, the Government in the year 2019/20 implemented the following interventions; Government Asset Management Information System (GAMIS) modules on Asset Registration, Asset transfer, Inspection and Control, Accident and Loss; activated the compensation and Auctioneers registration processes. Improvements were also done in the asset registration module to enable automatic calculation of depreciation; the GAMIS system was equally improved to include GAMIS Auctioneer's Licensing Portal which enables auctioneers to apply for license online. Moreover, the system was improved to include more classes of assets to be registered enabling the system to update revenue collection information arising from losses of assets through GePG and Human Capital Management Information System (HCMIS).

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

STATEMENT BY THE HONORABLE MINISTER (Continued)

Government Debt Management

In 2019/20, the Government continued to manage public debt in accordance with the Government Loans, Guarantees and Grants Act, CAP 134 to ensure its sustainability. The Debt Sustainability Analysis (DSA) conducted in December 2019 confirmed that the Government debt is sustainable in the short, medium and long term. The solvency indicators show that the ratio of present value of total public debt to GDP was 27.1 percent compared to the threshold of 70 percent; present value of external public debt to GDP was 16.3 percent compared to the threshold of 55 percent; and present value of external public debt to exports was 103.9 percent compared to the threshold of 240 percent. Regarding liquidity indicators of the DSA, the results showed that, the ratio of external debt service to domestic revenue was 11.9 percent compared to the threshold of 23 percent; and external debt service to exports was 11.9 percent compared to the threshold of 21 percent.

Conclusion

Despite of an impressive service delivery and performance results in the financial year under review, the Government is not complacent about the future; and indeed, reaffirms its shared commitment to maintaining and promoting sustainable, people-centered services that discriminates no one in the pursuit for development of our Citizens and our Country at large. Lastly but not least, we commend all Tanzanians for their support on various Government policies and initiatives especially; voluntary tax payments through the newly developed electronic payment gateways. These platforms among others have greatly contributed to the increased Government revenue sufficient to fund large and strategic projects of national interest.

We remain confident that, the on-going Government's massive investments on infrastructures coupled with prudent management of public funds and other resources will yield unprecedented results and contribute to improved living standards of our people.



Dr. Philip I. Mpango (MP).

MINISTER FOR FINANCE AND PLANNING

8th March, 2021

Date

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

STATEMENT BY THE PAYMASTER GENERAL

The Treasury is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by all the Government Entities. To the best of my knowledge, internal control system has operated adequately throughout the reporting period. The Government financial reports for the year ended 30th June 2020 have been prepared in accordance with the provisions of the Public Finance Act Cap, 348 and International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting.

The Government continues to promote transparency and accountability in managing public resources and enhancing public finance management reforms by making sure that, all guidelines issued by the International Federation of Accountants (IFAC) and requirements prescribed by National Board of Accountants and Auditors (NBAA) are complied with International Public Sector Accounting Standards (IPSAS). The preparations of the financial statements are in compliance with IPSAS that are relevant to the activities of the Government and its controlled entities and the relevant circumstances of the selected accounting policies.

Purpose of the Financial Statements

The Consolidated Financial Statements of the Government provide a record of the Government's financial performance and its financial position. The Financial statement provides a comparison with the fiscal forecasts in the Economic and Fiscal Updates. The financial statements also provide progress that government has made in implementing its fiscal strategy, as set out in the Short-term Fiscal Intentions and Long-term Fiscal Objectives section of the National Five-Year Development Plan 2016/17 – 2020/21, with the theme to nurture Industrialization for Economic Transformation and Human Development. The main objective is to enhance the pace of progress towards Tanzania Development Vision 2025.

These consolidated financial statements are meant to provide information by:

- a) Presenting the consolidated monetary value of national government (assets, liabilities, revenues and expenditure).
- b) Improving the users' understanding of public sector financial management to the resources entrusted to enhance the achievement of governments' social objectives, responsibility and priorities.
- c) Creating uniformity in the presentation and analysis of public sector financial information to enhance decision making.

Inter Government Entity Transactions

In the consolidated financial statements for the year ended 30th June 2020 all material balances and transactions between entities included in these consolidated financial statements have been eliminated.



Doto M. James
PAYMASTER GENERAL

8th March, 2021
Date

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

MANAGEMENT RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Treasury in accordance with the provisions of the Public Finance Act Cap, 348. The Financial Statements comply with Generally Accepted Accounting Practice and with the International Public Sector Accounting Standards (IPSAS).

Section 30(1) of the Public Finance Act Cap, 348 requires the Accountant General to prepare and transmit the consolidated financial statements to the Controller and Auditor General in accordance with the requirement of International Public Sector Accounting Standards (IPSAS). The Consolidated Financial Statements for the year ended 30th June 2020 as required by Section 8(1) of the Public Finance Act Cap, 348 and International Public Sector Accounting Standards is hereby presented. The consolidated financial statements for the year ended 30th June 2020 have been prepared to include 581 Public Sector Entities compared to 545 Public Sector Entities consolidated in previous year. Public Sector Entities consolidated in the year under review includes: 93 Budgetary Central Government; 216 Extra budgetary Units; 4 Social Security Funds; 185 Local Government Authorities; 10 Public Financial Corporations and 73 Public Non-Financial Corporation.

The Management is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority, and properly record the use of all public financial resources by the Government Reporting Entities. Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances which provide reasonable assurance that the transactions recorded are within statutory authority, and properly record the use of all public financial resources by the Government.

Nothing has come to the attention of the Management to indicate that the Government will not remain a going concern for the next twelve months from the date of this Consolidated Financial Statements. To the best of the Management knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the Consolidated Financial Statements for the year ended 30th June 2020.

Procurement of goods, works and consultancy and non-consultancy service to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act, Cap 410 and its Regulations of 2016.



CPA Francis Mwakapalila
Accountant General

8th March, 2021
Date

The Management accepts responsibility for the integrity of these financial statements, the information they contain such that the consolidated financial statements present fairly in all material respects, the financial position of the Government as at 30th June, 2020 and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Doto M. James
Paymaster General

8th March, 2021
Date

THE GOVERNMENT OF TANZANIA

**REPORTS BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTING UNIT

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

It is my duty as a Certified Professional Accountant to assist the Management to discharge the responsibility of preparing financial statements that reflect the true and fair view of the Government position and performance in accordance with International Public Sector Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Management as stated in the Management Responsibility statement on an earlier page.

I, CPA Dr. Elizeus KALUGENDO John being the Chief Accountant of Consolidation Unit in the Accountant General's Department hereby acknowledge my responsibility of ensuring that consolidated financial statements for the year ended 30th June, 2020 have been prepared in compliance with the Public Finance Act, Cap 348.

Thus, I confirm that these Consolidated Financial Statements present fairly in all material respects, the Financial Position of the Government as at 30th June,2020, and its Financial Performance and Cash Flows for the year end have been prepared based on properly maintained financial records.

Signed by:

Position:

NBAA Membership No:

Date: 8th March, 2021



Ag. Chief Accountant
ACPA 3775

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS

1. INTRODUCTION

The Consolidated Financial Statements of the Government of United Republic of Tanzania for the financial year ended 30th June, 2020 comprises Statement of financial performance, Statement of financial position, statement of changes in net assets/equity, of cash flows Statement, Statement of comparison of budget and actual amount spent and notes to the financial statements. Further, additional details have been included in order to promote ease of understanding and comparison of data in line with the requirement of International Public Sector Accounting Standards (IPSAS), as well as other schedules and summary statements.

2. FISCAL OUTLOOK

Tanzania economy once again, emerged among the fastest growing economies in the East African Region and in the World; and continued to be an attractive investment destination for Foreign Direct Investments (FDI) in the region. Supported with its growing middle-class population which mostly lives in urban and semi-urban areas, plenteous natural resources and political stability; Tanzania economy continuing growth has created more room for investments as business focus has been placed on promoting industrial led economy.

The value of Gross Domestic Product (GDP) in absolute terms at current prices during the period of January to March in 2020 was TZS 36.8 trillion compared to TZS 33.5 trillion in the corresponding period in 2019. Activities that recorded higher growth rates were Mining and quarrying (15.3 percent); Human health and social work (10.2 percent); Professional, scientific and technical services (8.9 percent); Transport and storage (8.3 percent); Information and communication (8.3 percent); Construction (8.0 percent); Administrative and support services (8.0 percent); and Other services (7.8 percent). Further, the value of GDP at constant 2015 prices increased to TZS 31.6 trillion during the period under review in 2020 from TZS 29.9 trillion in the corresponding period in 2019 equivalent to a growth of 5.7 percent (NBS, 2020).

3. OVERSIGHT BODY

The Parliament of Tanzania is mandated to execute oversight role over the Government financial management; to this effect the Parliament has three dedicated Parliamentary committees each specialized in the oversight of a particular section of public sector. The three Parliamentary oversight committees and their areas of prerogative are as follows:

- a) The Public Accounts Committee (PAC) responsible for the oversight of the Central Government i.e. Ministries, Independent Government Departments and Executive Agencies; and
- b) The Local Government Authorities Accounts Committee (LAAC) which is responsible for the oversight of the Local Government Authorities.

The Committees are established under the Constitution of the United Republic of Tanzania 1977 Article 96(1) & (2) and the Parliamentary Standing Orders (2013), Order No.118 (1) and Addendum No 8 of the orders. The members of the Public Accounts Committee (PAC) as at 30th June, 2020 were as follows:

THE GOVERNMENT OF TANZANIA

**REPORTS BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

3. OVERSIGHT BODY (Continued)

No.	Name	Position	Constituency / Special Seats
1	Hon. Naghenjwa Livingstone Kaboyoka	Chairperson	Constituency – Same East
2	Hon. Aeshi Khalfan Hilary	Vice Chairperson	Constituency – Sumbawanga Town
3	Hon. Felister Aloyce Bura	Member	Special Seats – Dodoma
4	Hon. Dr. Shukuru Jumanne Kawambwa	Member	Constituency – Bagamoyo
5	Hon. Kiswaga Boniventura Destery	Member	Constituency – Magu
6	Hon. Dr. Haji Hussein Mponda	Member	Constituency – Malinyi
7	Hon. Abdalla Haji Ali	Member	Constituency – Kiwani
8	Hon. Livingstone Joseph Lusinde	Member	Constituency – Mtera
9	Hon. Musa Bakari Mbarouk	Member	Constituency – Tanga Town
10	Hon. Stanslaus Shingoma Mabula	Member	Constituency – Nyamagana
11	Hon. Jamal Kassim Ali	Member	Constituency – Magomeni Zanzibar
12	Hon. Anatropia Lwehikila Theonest	Member	Special Seats – Dar es salaam
13	Hon. Hassan Elias Massala	Member	Constituency – Nachingwea
14	Hon. Ali Salim Khamis	Member	Constituency – Mwana kwerekwe
15	Hon. Hussein Abraham Makungu	Member	Constituency – House of Representative
16	Hon. Omar Mohamed Kigua	Member	Constituency – Kilindi
17	Hon. Khadija Nassir Ali	Member	Special Seats – Zanzibar
18	Hon. Ignas Aloyce Malocha	Member	Constituency – Kwela
19	Hon. Josephine Tabitha Chagula	Member	Special Seats – Geita
20	Hon. Mariam Nassoro Kisangi	Member	Special Seats – Temeke
21	Hon. Maida Hamad Abdallah	Member	Special Seats – Wete
22	Hon. Oliver Daniel Semunguruka	Member	Special Seats – Ngara
23	Hon. Juma Hamad Omar	Member	Constituency – Ole
24	Hon. Allan Joseph Kiula	Member	Constituency – Iramba West
25	Hon. Aysharose Ndogholi Mattembe	Member	Special Seats – Singida
26	Hon. Rhoda Edward Kunchela	Member	Special Seats – Katavi
27	Hon. Joyce Bitta Sokombi	Member	Special Seats – Mwanza
28	Hon. Rashid Abdallah Shangazi	Member	Constituency – Mlalo

THE GOVERNMENT OF TANZANIA

**REPORTS BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

3. OVERSIGHT BODY (Continued)

The members of the Local Government Authority Accounts Committee (LAAC) as at 30th June, 2020 were:

No.	Name	Position	Constituency / Special Seats
1	Hon. Vedasto Edgar Ngombale Mwiru	Chairperson	Constituency – Kilwa North
2	Hon. Abdallah Dadi Chikota	Deputy Chairperson	Constituency – Nanyamba
3	Hon. Christopher Kajoro Chizza	Member	Constituency – Buyungu
4	Hon. Seif Ally Ungando	Member	Constituency – Kibiti
5	Hon. Azza Hillal Hamad	Member	Special Seats – Shinyanga
6	Hon. Tunza Issa Malapo	Member	Special Seats – Mtwara
7	Hon. Martin Mtonda Msuha	Member	Constituency – Mbinga Vijijini
8	Hon. Ezekiel Magolyo Maige	Member	Constituency – Msalala
9	Hon. Seleman Jumanne Zedi	Member	Constituency – Bukene
10	Hon. Alex Raphael Gashaza	Member	Constituency – Ngara
11	Hon. Anastazia James Wambura	Member	Special Seats – Mtwara
12	Hon. Mangungu Ali Issa Abbas	Member	Constituency – Mbagala
13	Hon. Tauhida Cassian GalossNyimbo	Member	Special Seats – Zanzibar
14	Hon. Conchesta Leonce Rwamlaza	Member	Special Seats – Bukoba
15	Hon. Faida Mohamed Bakari	Member	Special Seats – ChakeChake
16	Hon. Mary Pius Chatanda	Member	Constituency – Korogwe Mjini
17	Hon. Leah Jeremiah Komanya	Member	Special Seats – Meatu
18	Hon. Juma Kombob Hamad	Member	Constituency – Mingwi
19	Hon. Rose Kamili Kusum	Member	Special Seats – Kateshi
20	Hon. Yussuf Kaiza Makame	Member	Constituency – ChakeChake
21	Hon. Dr. Godwin Oloyce Mollel	Member	Constituency – Siha
22	Hon. Zainabu Mussa Bakari	Member	Special Seats – ChakeChake
23	Hon. Prof. Norman Adamson King Sigalla	Member	Constituency – Makete
24	Hon. Cecilia Daniel Paresso	Member	Special Seats – Manyara
25	Hon. Edward Franz Mwalongo	Member	Constituency – Njombe Mjini
26	Hon. Ahmed Ally Salum	Member	Constituency – Solwa

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

4. BUDGET APPROVAL AND ASSUMPTIONS

The budget of the Government of United Republic of Tanzania was prepared on cash basis by function classification. The budget for the fiscal year ended on June 30, 2020 was approved by the Parliament of the United Republic of Tanzania in June 2019 as prescribed by National Constitution of 1977 and section 26 of the Budget Act, Cap.439 and included all activities within the Government of the United Republic of Tanzania. The theme of the 2018/19 Budget was **“to build an industrial economy that will stimulate employment and sustainable social welfare”**

In order to attain the stated performance benchmarks, the following assumptions were expected to be observed and maintained during the financial year;

- a) Peace, unity and political stability within and across the region;
- b) Stability and sustainability in macroeconomic and social economic gains;
- c) Stability in global economy;
- d) Stability in the world market oil prices;
- e) Favorable weather condition in a country and neighboring countries;
- f) Favorable relations with neighbors, region and international; and
- g) Supportive laws and regulations for investors.

The Government started the financial year 2019/20 by setting out key strategies and goals for execution during the year. The main goals for 2019/20 were poverty alleviation leading to transforming the country into an industrial economy towards a Middle-Income Country. These goals were aligned with; Tanzania Development Vision 2025, National Five Years Development Plan (2016/17 – 2020/21), the African Agenda (2063), the Sustainable Development Goals (2030) and the ruling party Manifesto (2015 – 2020).

Tanzania has benefitted from rich experiences and recommendations drawn from other change processes nationally, regionally and globally, including the National Constitutional Review, global, regional and national consultations that led to the formulation of the Agenda 2030 for Sustainable Development, Agenda 2063 for the African continent, and convergence processes toward the envisaged merger of EAC, SADC and COMESA regional trade groupings. The process also benefited from other internal consultations and peer reviews at various stages to ensure shared understanding and broad consensus by key stakeholders from the start. Given the strategic priority areas earmarked and the implementation effectiveness machinery laid out; coupled with the visionary leadership already existing at the top office of our nation, Tanzania is poised to excel regionally and globally as an emerging industrializing Middle Income Country.

5. PRIORITY SECTORS

The top priority sectors in terms of budgetary allocation for the financial year ended on 30th June, 2020 were Education, Transport, Health, Energy and Social protection. These sectors were purposely selected due to their multiplier effects to facilitate social-economic transformation

- i. Education: In the Financial Year 2019/20 the Government continued to implement Fee Free Basic Education; Implementation of education development projects through various programs; and improving teaching and learning environment through rehabilitation of education supportive infrastructure. Further more the Government is implementing literacy and numeracy education support programmes phase II to ensure children enrolled in primary education acquired necessary skills of reading, writing and arithmetics (3Rs) at the early grades.

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

In the same context, the Government continued to improve teaching and learning environment for teachers through modernization of programmes, upgrading teaching and learning infrastructure and equip with relevant teaching facilities.

- ii. **Transport:** In promoting economic growth in the country, the Government continued to focus on investing in supportive economic infrastructure such as roads, railway, ports and airports, in order to implement the objective of strengthening infrastructure in transport sector. In financial year 2019/2020, the Government has continued to enlarge Investment in the Railways, Air and Maritime infrastructure. During the financial year 2019/2020, Government has continued with its target to expand the railway network in Tanzania through construction of the Standard Gauge Railway (SGR) line to serve the economies of Tanzania and those of neighbouring land linked states. Since the start of construction of SGR Project year 2017 upto 30th June 2020 the stage of completion from Dar es Salaam to Morogoro (300Km) was at 82% while the status of construction of SGR from Morogoro to Makutupora (422Km) was about 34.5%. Apart from the ongoing construction of SGR, the Government through TRC has continued to implement rehabilitation of the existing Central Railway Line from Dar es Salaam – Isaka (970km) and from Tanga – Arusha line. By the 2020, the implementation of the two Railway Projects was in good progress. Moreover, as a strategy to enhance Air Transport operation in the country, the Government has already procured eleven (11) Aircrafts out of which 8 have been delivered.

Government completed construction of Terminal III building at the Julius Nyerere International Airport (JNIA T3) in Dar es Salaam and the Terminal is now in operation. Towards enhancing air transport operations in the country, the Government is continuing with efforts to modernize ten (11) Regional Strategic Airports (These Airports are Lake Manyara, Musoma, Iringa, Moshi, Kilwa Masoko, Lindi, Songea, Njombe, Singida, Tanga and Simiyu Airports. For the case of Maritime Transport, the Government through Tanzania Ports Authority is modernizing various Sea and Lake Ports by investing in the infrastructure and operational facilities. The Government continued with modernization of Dar es Salaam Port through construction of Berths 1 – 7, construction of a new Ro-Ro berth and deepening of the Dar es Salaam Port entrance channel. The project which is known as Dar es Salaam Maritime Gateway Project (DMGP) is in good progress with expectation to be completed by December, 2023.

The completion of the project will improve the effectiveness and efficiency of the Port of Dar es Salaam to become a hub for Eastern and Central African region. Transport Sector finalized rehabilitation of two Ships of MV. New Victoria Hapa Kazi tu and MV. Butiama Hapa Kazi tu in Lake Victoria. The two ships are completed and they are now operating. Construction of one New Ship Vessel in Lake Victoria is progressing well and the project is expected to be finalized by Mid-2021. Further more, three Weather Radars and Instruments were procured in financial year 2019/2020 to facilitate the accuracy and reliable weather forecasting while procurement and installation of four civil Aviation radars for Dar es Salaam, Mwanza and Kilimanjaro was completed and operational. Radar for Songwe was in final stages by June 2020. In the financial year 2019/20, the progress for Upgrading and Construction of Airports were as follows: JNIA (Terminal Building III – TB III) completed (100%), Mwanza Airport (Phase I) completed (100%), Geita Airport 90.85%, Songea Airport 42.2%, Mtwara Airport 42% and Other Regional Airports.

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

During the financial year 2019/20, the Government completed phase one of passenger terminal expansion at Kigamboni ferry side, which involved expansion of waiting lounge. Phase two which involves expansion of waiting lounge was on roofing stage. Construction of Bwina ramps was completed and Bukondo ramps was on surfacing stage. Construction of infrastructure (waiting lounge, office and fence) for Lindi – Kitunda ferry crossing was completed.

- iii. **Health:** In the Financial Year 2019/20, the Government has put more efforts in developing health systems geared towards combating the increasing prevalence of non-communicable diseases and develop strategies to achieve universal health coverage. The developed health policy includes: to ensure resources allocated are used in interventions results into tangible health outcomes towards universal health coverage and accerate a deliberate move towards the realization of sustainable healthservices delivery by stiting statregies that build both institution and financial sustainability.
- iv. **Energy:** In the financial year 2019/20 the Government continued with the implementation of flagship and strategic energy projects to ensure economic growth and availability of energy supply. The projects included Julius Nyerere Hydropower Project (MW 2115), completion of Kinyerezi II gas fire power plant (MW 240), completion of Makambako-Songea 220 KV transmission line and implementation of REA Turkey Phase III. The total installed capacity stands at 1,602.32 MW with an overall electricity access level stood at 76%. In the year under review, more than 1,132 villages have been connected. Further more, the Government has successfully maintained a stable supply of oil and natural gas for thermal power generation. Additionally, availability of local installation materials (wooden poles, conductors, transformers and metters) have saved foreign currency for imported goods.
- v. **Water:** the Government of the United Republic of Tanzania has placed the water sector development as one of the priority agenda in the Five-Year Development Plan-phase II (FYDP II) 2016-2021 which is the implementing tool of TDV 2025. The water sector development undertakings in the country are included in international and national policy frameworks. These include the Sustainable Development Goals (SDGs) 2030; the African Union development goals 2063; the Tanzania Development Vision (TDV-2025), the National Water Policy (NAWAPO 2002) and the Chama cha Mapinduzi (CCM) Election Manifesto for the period 2015-2020. On the legal framework side, the water sector development is guided by two water specific legislations, namely the Water Resources Management Act No. 11 of 2009 and the Water Supply and Sanitation Act No. 5 of 2019. Consistent with the national and international policy and legal frameworks, all interventions in the water sector are being implemented within the Water Sector Development Programme (WSDP), which is a long-term plan for the period 2006-2025. The main objective of the program is to ensure availability, reliability and sustainability of water for socio-economic development to realize TDV 2025.

The major target is to achieve 85% of rural population and 95% of the urban population by the year 2020 and ultimately TDV 2025 targets of universal (100%) access to water supply services in urban areas and 95% of the rural population with water supply services. The Ministry of Water is committed to attaining these targets through annual budgets. Up to December, 2019 provision of water supply services coverage on average stands at 64.8% in rural areas; 84% in urban regional headquarters; while the coverage remains relatively low in District Headquarters and Small Towns, National Projects and New Regional urban centres (60%).

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

- vi. **Agriculture, Livestock and Fisheries:** The Agriculture, Livestock and Fisheries sectors have continued to be the leading sectors in generating employment opportunities especially in rural areas. The Government of Tanzania is implementing various interventions in order to realise the Tanzania Development Vision (TDV-2025) objectives. In realising TDV-2025 objectives, the Long-term Perspective Plans (2011/2012-2025/2026) was prepared and adopted by the Government and is being implemented through Five Year Development Plans. In financial year 2019/2020, the Ministry continued to implement the second Five Year Development Plan (FYDP II) 2016/17- 2020/21 with the theme "Nurturing Industrialization for Economic Transformation and Human Development" whereby Agricultural sector is key in provision of raw materials to agro-processing industries. Therefore, the Ministry of Agriculture priorities in the medium term is guided by Government priorities to invest in the projects with large multiplier effects to ensure public resources are invested in a manner that will leverage private sector investment in the economy as articulated in FYDP II, Agriculture Sector Development Programme Phase II (ASDP II) and the United Nation's 2030 Agenda for Sustainable Development Goals (SDGs).

The FYDP II and ASDP II have therefore taken on board all the National and International strategies and initiatives in a more streamlined manner capable of fast tracking the implementation of TDV 2025 attributes. Implementation of the National Agricultural Policy 2013 based on prioritized interventions in the year 2018 has resulted into sector contribution of 58 percent of the total employments, 28.2 percent of the total Gross Domestic Product (GDP) of which 16.2 percent was from crop production sub-sector. The sector also contributed about 65 percent of the industrial raw materials. Also, there was a drop of production of food crops from 16,891,974 tons in the year 2018/2019 to 16,293,637 in the year 2019/2020. However, basing on the food requirement of 13,819,863 tons in the year 2019/2020, the National Food Self-sufficiency ratio (FSSR) was 118 percent indicating that the country was food secure.

- vii. **Industry, Trade and Investment:** In the financial year 2019/20, the Government focused on development of strategic projects, formalization of SMEs, implementation of Blue Print, strengthen research and technology in the manufacturing and trade sector, strengthen regulation and competition in the market for the protection of local industries and business promotion, Business development, Development of EPZ/SEZ and accountability of the management in discharging its obligations. The Government continued to develop Zuzu Industrial Cluster with the implementation of the Integrated Industrial Development Strategy (IIDS-2025) to accommodate industries of all sector for industrial growth In the year under review, the Government continued to improve working environment for SMEs by constructing industrial sheds in various SIDO office regions. In 2019/2020 the Ministry through SIDO constructed three (3) industrial sheds (2 in Mtwara and 1 in Kigoma). The sheds are aimed at reducing the challenge of inaccessibility of processing facilities to Micro and Small Entrepreneurs.

The Government prepared Market Access Guide for selected Markets, through the support from Trade ComII. This Market Access Guide will be very useful to Private Sector mostly those wishing to penetrate export markets and maintain their presence in those markets with basic information that will assist them to position themselves appropriately in export markets. The Guide puts together the otherwise scattered information and reduces the cost of accessing the information that various exporters' needs.

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

They provide a world-class information and guide for Tanzanian companies to understand how to start an export business, maintain their position in the competitive markets and expand their export business in the export markets. Furthermore, the Government successfully conducted E-commerce Assessment in the country in collaboration with United Nations Conference on Trade and Development (UNCTAD). The assessment was done with the aim to determine the national readiness in doing trade electronically. The assessment focused on key seven areas which are important for electronic commerce namely: ICT Infrastructure and Services, Trade Logistics and Facilitation, Payments solution, Legal and Regulatory Framework, E-commerce Strategies and Existing Legal & Regulatory Frameworks, E-commerce Skills Development and Access to Financing.

5. REVENUE

Revenue is recognized on accrual basis whereby the collection is recognized when earned rather than when cash is received. During the year under review the Government revenue were TZS 46,451.04 billion compared to TZS 41,400.83 billion in the financial year 2018/19, equivalent to an increase of 1 percent. The increased revenue resulted from Government deployment the below administrative measures that simplified and enabled the Government to collect sufficient domestic revenue for implementing its annual budget.

a) Tax Revenue

Taxes are recognized in compliance with IPSAS 23 *Revenue from Non Exchange Transaction* when taxable event occur.

Table 1: Tax Revenue Trend

Taxes has increased by 16% from TZS 17,289.35 billion for the year 2018/19 to TZS 19,987.53 billion for the year 2019/20 due to strengthening management of existing sources by intensifying the use of electronic collection system; widening tax base by formalization of the informal sector and relating conducive environment to attract business and investment including: Improvement of supportive infrastructure, Tax incentives, Policy stability and predictability, Land accessibility and, well structured legal and regulatory frameworks.

Description	2019/20	2018/19	2017/18
	TZS '000	TZS '000	TZS '000
Taxes on Income, Profits and Capital Gains	7,779,681,056	5,747,791,939	6,979,053,816
Taxes on Payroll and Workforce	367,427,443	324,123,431	293,489,454
Taxes on Goods and Services	8,308,932,645	7,869,120,564	7,024,338,758
Taxes on International Trade and Transactions	2,799,466,645	2,653,348,982	2,768,545,383
Other Taxes	635,638,255	629,436,085	528,227,771
Rates and Fees	96,384,074	65,530,242	66,306,185
Total	19,987,530,118	17,289,351,243	17,659,961,367

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

b) Grants and Concessional Loans:

As at 30th June, 2020 the Government received grants and concessional loans from its Development Partners amounting to TZS 1,119.67 billion compared to TZS 643.40 billion for the year ended June, 2019.

c) Non-Tax Revenue:

Non-tax revenue Includes External assistance (grants and aids), finance income, fees, fines, penalties and licenses, revenue from exchange transaction, Social contributions, other revenue, Fair value, gains on equity investments and Fair value grants on investments properties. The Government realized remarkable achievements by collecting non-tax revenue from institutions and corporation amounting to TZS 749.085 billion which is equivalent to 79 percent of the annual budget of TZS 947 billion in 2019/20. Collection of non-tax revenue was highly affected by outbreak of COVID 19 pandemic in the third quarter of the financial year 2019/20, whereby majority contributors of 15% of gross revenue like TANAPA, NCAA, TAWA and TCAA were affected to the extent of requesting Government bailout to cater for their salaries and operational expenses.

Total Non-Tax revenue earned during the period was TZS 6,562.61 Billion. The Government managed to maintain non tax collection at the level similar to prior year due to Government efforts in implementing effective compliance strategies by Ministries and Government agencies as to ensure that all institutions collect non tax revenue through GePG.

6. EXPENDITURE

Expenditure are recognized on accrual basis that is recognized when incurred rather than when cash is paid while on other hand budget is on cash basis. The Government adopted a number of Policies and Measures on Expenditure Management for the financial year 2019/20 budget delaneted on ensuring that budget deficit does not exceed 3.2 percent of GDP; ensuring discipline in expending public fund and continue to reduce unnecessary expenditure; and Control accumulation of arrears.which included verification of arrears for 235 institutions was conducted to ensure the amount claimed by service providers, contractors and staff are accurate before effecting payments.

The overall Government expenses for the financial year 2019/20 were divided into various classes including wages, salaries and employee's benefits, Social benefits, Supplies and Consumables, Routine repairs and maintenance, Depreciation, Impairment of Property, Plant and Equipment (PPE) Investment Property and Intangible Assets and other expenses. Total expenses for the financial year ended 30th June, 2020 was TZS 27,667.65 billion compared to previous year expenses of TZS 28,000.53 billion, this is a decrease of 1%.

a) Wages, salaries and employee's benefits

During the year under review total Wages, Salaries and Employees Benefits was TZS 10,212.36 billion (2019: TZS 10,998.09 billion)

b) Social benefits

During the year under review, the Government spent a total of TZS 3,050.61 billion compared to 3,042.96 billion spent on previous year. The amount spent include Exemption of medical for special groups.

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

c) Supplies and Consumables

During the year under review total expenditure for supplies and Consumable Goods was TZS 4,809.42 billion as compared to TZS 4,493.70 billion of the previous financial year.

d) Routine repairs and maintenance

Total expenditure with regards to Routine Maintenance and repairs expenses for the year under review was TZS 1,263.614 billion (2019:TZS 1,032.69 billion), increased by 22% from previous year due to increase in outsourced Maintenance Contractual Services.

e) Consumption of Fixed Assets

During the financial year 2019/2020, the Government recorded a depreciation and amortization of TZS 3,015.42 billion relating to the Non-Current Assets and Intangible asset while for the year ended 30th June, 2019 was TZS 2,922.65 billion.

f) Other expenses.

Other expenses includes all expenditure related to Audit fees, consultancy, and others. During the year ended 30th June 2020 other expenses was TZS 1,577.95 billion (2019: 1,510.09 billion)

7. ASSETS

The total assets at the end of the year 2019/20 were TZS 127,811.34 billion compared to TZS 118,018.34 billion in the prior year. The value of assets of the Government continued to increase due to completion of new projects and valuation of assets in various reporting entities in order to establish deemed cost for assets which were acquired at a low or nominal value.

a) Cash and Cash Equivalent

These are cash balances at the end of the financial year includes bank balances of recurrent, development and deposit account during the financial year the cash and cash equivalents were TZS 7,002.90 billion compared to TZS 5,912.26 billion of the previous year 2018/19.

b) Receivables

Government receivable includes Imprest receivables, and loans receivables. The Government receivables during the year 2019/20 was TZS 9,759.71 billion while the previous year receivables were TZS 9,984.06 billion.

c) Inventories

The major components of inventories were finished goods and building material and equipment. The Government inventories during the year 2019/20 was TZS 1,453.79 billion compared to previous year was TZS 1,878.97 billion.

d) Investment Property

The total Investment property at the end of the year 2019/20 was TZS 7,853.96 billion compared to TZS 7,358.99 billion in the previous year. The value of Investment property increased due to new investment property acquired during the year.

e) Property, Plant and Equipment

Property, Plant and Equipment principally comprises Operational Buildings, Land, Plant, Vehicles, Roads, Bridges, Machinery, Ships, Aircraft and Furniture and Equipment according to IPSAS 17. Net property, plant and equipment at the end of the year 2019/2020 were

THE GOVERNMENT OF TANZANIA

REPORTS BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)

TZS 75,398.17 Billion compared to TZS 69,358.24 billion in the prior year. The value of Property Plant and Equipment in 2019/20 is higher by 8.7% due to new construction and acquisition of PPE during the year.

f) Biological Assets

The Government's biological/agriculture assets as at 30th June 2020 was TZS 155.60 billion while biological assets for the previous year were TZS 131.80 billion the increase was due to favourable weather conditions, improved conservation strategies and public awareness on reforestation and on importance of other biological assets.

g) Intangible Assets

The Government's intangible assets as at 30th June 2020 were TZS 376.03 billion while Intangible assets for the previous year were TZS 342.81 billion the increase was due to acquisition of new assets. The increase was largely attributed to acquisition and internally developed software.

8. LIABILITIES

Total liabilities as at 30th June, 2020 were TZS 104,150.52 Billion compared to total liabilities of TZS 100,369.40 billion in 2018/19.

9. DEBT POSITION

Public Debt balance for the financial year ended 30th June 2020 was TZS 51,327.38 billion Compared to TZS 47,918.30 billion in the prior year.

10. CONCLUSION

The Government of the United Republic of Tanzania is committed to ensure that financial management is improved to enhance transparency and accountability of the available resources for the betterment of Citizens. To accomplish its mission of promoting service deliverance to its citizen it will continue to strengthen internal control system over assets, payroll and expenditure by minimizing and directing all resources to activities that eventually serve the general community. In so doing, the Government continued implementing International Public Sector Accounting Standards (IPSAS) in preparation of its financial statements in order to increase transparency in public expenditure, accountability and management of Public Resources.

These financial statements should be read in conjunction with the underlying notes and schedules for better understanding.



CPA Francis Mwakapalila
Accountant General

8th March, 2021

Date



AUDITED CONSOLIDATED FINANCIAL STATEMENTS

THE GOVERNMENT OF TANZANIA

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2020

	Notes	30-June-2020 TZS '000	30-June-2019 TZS '000
REVENUE			
Taxes Revenue	15	19,515,049,756	16,879,608,573
Revenue From Exchange Transactions	16	4,186,935,497	3,624,499,857
Social Contributions	17	2,959,340,481	2,773,190,859
External Assistance - Grants and Aid	18	1,119,675,142	643,406,277
Finance Income	19	31,780,129	25,058,863
Levies	20	587,945,673	445,430,670
Fees, Fines, Penalties and Forfeits	21	3,068,906,144	3,321,212,947
Other Revenue	22	3,575,415,051	4,131,447,714
Debt Forgiveness	24	19,486,135	-
Fair Value Gains on Equity Investments	26	31,851,100	-
Fair Value Gains on Investment Properties	28	358,898,460	-
Fair Value Gains on Biological Assets	29	7,590,043	4,188,922
Fair Value Gains on Actuarial Valuation of Defined Benefit Plans	30	12,999,480	48,147,327
Fair Value Gains on Financial Assets	31	153,903,613	136,959,276
Fair Value Gains on Marketable Securities	32	125,476,503	-
Gains on Foreign Currency Translation	33	200,323,881	-
TOTAL REVENUE		35,955,577,088	32,033,151,285
EXPENSES			
Wages, Salaries and Employee Benefits	39	10,212,359,528	10,998,090,652
Supplies and Consumables Used	40	4,809,424,553	4,493,705,967
Routine Repair and Maintenance Expenses	41	1,263,614,346	1,032,693,041
Social Benefits	42	3,050,609,815	3,042,967,066
Finance Costs	43	2,665,908,483	2,459,610,970
Other Expenses	44	1,577,946,188	1,510,094,196
Provision for Obsolete Inventories	45	6,798,098	4,244,710
Grants, Transfers and Subsidies Issued	47	550,794,140	360,825,320
Depreciation of Property, Plant and Equipment	48	3,003,802,394	2,912,364,701
Depreciation of Investment Properties	49	11,626,479	10,295,187
Amortization of Intangible Assets	50	56,232,154	38,800,203
Impairment of Property, Plant and Equipment	51	11,662,546	11,036,931
Impairment of Intangible Asset	52	52,952	567,404
Impairment of Investment Property	53	2,220,680	2,224,162
Impairment of Receivables	54	367,874,397	807,697,104
Impairment of Loans	55	47,185,742	66,151,747
Fair Value Losses on Equity Investments	57	-	100,755,058
Fair Value Losses on Government Securities	58	28,599,175	87,316,555
Fair Value Losses on Investment Property	59	-	10,861,896
Fair Value Losses on Marketable Securities	63	-	11,627,624
Losses of Foreign Currency Translation	64	-	34,820,622
Losses on Disposal of Assets	65	943,364	3,787,978
TOTAL EXPENSES		27,667,655,434	28,000,539,094
Share of Surplus of Associates and Joint Ventures		101,106,788	54,175,385
Surplus for the period		8,389,028,442	4,086,787,576



CPA Francis Mwakapalila
Accountant General

8th March, 2021
Date

THE GOVERNMENT OF TANZANIA

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020

	Notes	<u>30-June-2020</u> TZS '000	<u>30-June-2019</u> TZS '000
ASSETS			
Cash and Cash Equivalent	70	7,002,904,470	5,912,265,066
Fixed Deposits/Placements	71	266,451,471	137,201,891
Holdings of Special Drawing Rights (SDRs)	72	20,100,182	67,392,346
Quota in international Monetary Fund (IMF)	73	1,257,328,887	1,266,185,402
Foreign Currency Marketable Securities	74	6,201,955,789	5,065,705,728
Equity Investments	75	1,668,686,278	1,586,363,048
Government Securities	76	1,230,069,507	1,257,650,150
Receivables	77	9,759,706,948	9,984,065,322
Loans Receivables	78	9,694,857,776	8,644,912,470
Prepayments	79	2,815,458,587	2,551,495,383
Inventories	80	1,453,799,454	1,878,979,306
Deffered Currency Cost	81	34,035,017	41,375,635
Other Financial Assets	82	186,499,117	605,009,205
Escrow Accounts	83	149,780,547	149,323,286
Retirement Benefit Asset	84	12,102,386	16,841,551
Investment Property	85	7,853,968,685	7,358,993,062
Property Plant and Equipment	86	75,398,176,874	69,358,245,224
Intangible Assets	87	376,037,491	342,815,671
Biological Assets	88	155,601,748	131,809,443
Investments in Associates and Joint Ventures	89	1,373,239,799	1,249,158,032
Investments in Controlled Entities (Subsidiaries)	90	893,529,474	404,822,317
Non Current Assets Held for Sale	92	7,057,449	7,733,260
TOTAL ASSETS		<u>127,811,347,936</u>	<u>118,018,342,798</u>
LIABILITIES			
Payables and Accruals	93	12,463,522,434	13,371,647,806
Currency in Circulation	94	5,225,320,820	4,965,202,559
Deposits from Banks and Non-Bank Financial Institutions	95	235,840,458	29,217,688
Deposit - Others	97	3,556,316,244	3,052,436,833
Foreign Currency Financial Liabilities	98	1,412,490,402	919,256,948
IMF Related Liabilities	99	1,094,754,287	1,206,939,205
Allocation of Special Drawing Rights (SDRs)	100	602,150,585	606,392,081
Borrowings (Public Debts)	101	51,327,545,512	47,918,306,555
Other Borrowings by Government Entities	102	6,497,948,296	6,283,458,935
BoT Liquidity Papers	103	118,788,633	330,753,832
Other Financial Liabilities	104	632,169,384	499,243,032
Pension Fund Actuarial Liabilities	105	19,095,594,000	19,095,594,000
Employee Benefits Liabilities	106	430,906,570	433,427,140
Retirement Benefits Obligations	107	488,351,876	647,254,339
Provisions	108	968,984,449	1,010,271,148
TOTAL LIABILITIES		<u>104,150,521,574</u>	<u>100,369,402,101</u>
NET ASSETS		<u>23,660,826,362</u>	<u>17,648,940,697</u>
NET ASSETS			
Taxpayer Fund		42,768,409,170	42,566,396,217
Foreign Currency Revaluation Reserves		38,917,117	33,162,377
Fair Value Reserves		2,686,335,411	2,623,602,607
Defined Benefit (Actuarial) Reserves		18,409,937	18,409,937
Revaluation Surplus		473,809,604	469,076,980
Other Reserves		8,203,498,930	7,674,746,734
Minority Interest		165,209	61,729
Accumulated Deficits		(30,528,719,016)	(35,736,515,884)
TOTAL NET ASSETS		<u>23,660,826,362</u>	<u>17,648,940,697</u>



CPA Francis Mwakapalila
Accountant General

8th March, 2021
Date

THE GOVERNMENT OF TANZANIA

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30TH JUNE 2020

	Tax Payers Funds TZS ('000)	Accumulated Surplus/Deficit TZS ('000)	Foreign Currency Revaluation Reserves TZS ('000)	Fair Value Reserves TZS ('000)	Deferred Tax Reserves TZS ('000)	Defined Benefit Actuarial Reserves TZS ('000)	Other Reserves TZS ('000)	Revaluation Suprlus TZS ('000)	Minority Interest TZS ('000)	Total TZS ('000)
Opening Balance (01 July,2019)	42,566,396,206	(35,736,515,884)	33,162,377	2,623,602,607	-	18,409,937	7,674,746,734	469,076,980	61,729	17,648,940,686
Additional Capital Injected	202,012,964	-	-	-	-	-	-	-	-	202,012,964
Other Reserve	-	-	5,754,740	62,732,804	-	-	528,752,196	26,488,289	103,480	623,831,509
Other Appropriations	-	(3,181,231,574)	-	-	-	-	-	(21,755,665)	-	(3,202,987,239)
Minority Interest	-	-	-	-	-	-	-	-	-	-
Surplus during the year	-	8,389,028,442	-	-	-	-	-	-	-	8,389,028,442
Closing Balance (30 June,2020)	42,768,409,170	(30,528,719,016)	38,917,117	2,686,335,411	-	18,409,937	8,203,498,930	473,809,604	165,209	23,660,826,362
Opening Balance (01 July,2018)	42,753,075,940	(39,225,007,482)	3,142,158	2,617,704,263	-	(16,643,680)	7,540,925,897	290,871,308	61,729	13,964,130.133
Additional Capital Injected	35,606,470	-	-	-	-	-	-	-	-	35,606,470
Other Reserve	-	-	30,020,219	5,898,344	-	35,053,617	277,585,200	185,388,659	-	533,946,039
Other Appropriations	(222,286,204)	(598,295,978)	-	-	-	-	(143,764,363)	(7,182,987)	-	(971,529,532)
Minority Interest	-	-	-	-	-	-	-	-	-	-
Surplus during the year	-	4,086,787,576	-	-	-	-	-	-	-	4,086,787,576
Closing Balance (30 June,2019)	42,566,396,217	(35,736,515,884)	33,162,377	2,623,602,607	-	18,409,937	7,674,746,734	469,076,980	61,729	17,648,940,697



CPA Francis Mwakapalila
Accountant General

8th March, 2021
Date

THE GOVERNMENT OF TANZANIA

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

Notes	<u>30-June-2020</u> TZS '000	<u>30-June-2019</u> TZS '000
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Taxes Revenue	17,478,855,622	15,613,519,326
Social Contributions	2,267,404,243	2,014,710,373
Revenue from Exchange Transactions	1,731,338,262	6,210,852,703
Other revenue	3,634,148,993	3,962,363,691
Levies	474,017,940	433,226,268
Increase in deposits	1,731,779,738	493,644,113
Grants, transfers and subsidies received	19,391,606	15,072,955
Finance Income	47,682,771	42,001,374
Fees, fines, penalties and Forfeits	3,604,340,893	3,095,586,540
External Assistance- Grants and Aid	1,119,675,142	643,406,277
Total Receipts	<u>32,108,635,210</u>	<u>32,524,383,620</u>
PAYMENTS		
Wages, Salaries and Employee Benefits	12,851,177,927	11,856,350,151
Supplies and consumables paid	5,871,025,728	13,120,518,148
Social Benefits	2,531,574,485	2,940,899,866
Routine repair and maintenance paid	2,103,240,344	1,258,534,222
Other Expenses	1,500,075,071	1,490,532,197
Grants, transfers and subsidies to	570,972,673	373,216,765
Finance cost	2,655,194,658	2,513,854,619
Decrease in deposits	646,769,767	1,082,183,882
Total Payments	<u>28,730,030,653</u>	<u>34,636,089,850</u>
Net CashFlow from Operating Activities	3,378,604,557	(2,111,706,230)
CASH FLOW FROM INVESTING ACTIVITIES		
Net decrease/(increase) in Government securities	(106,836,503)	118,889,407
Loan Issued	1,016,086,566	455,810,052
Increase/decrease in quota in International Monetary Fund (IMF)	8,856,515	2,107,283
Increase/decrease in holdings of SDRs	47,292,164	(64,160,186)
Increase/decrease in foreign currency marketable securities	(1,136,250,061)	1,446,709,687
Acquisition of shares in subsidiary	(56,085,321)	(990,589)
Acquisition of shares in associate or joint venture	(30,695,458)	(41,356,613)
Acquisition of property, plant, and equipment	(6,757,205,918)	(7,531,623,551)
Acquisition of investment properties	(74,056,143)	(71,180,860)
Acquisition of intangibles	(78,861,153)	(19,280,311)
Acquisition of equity investments	(46,170,628)	(2,427,242)
Acquisition of biological assets	807,419	1,515,564
Total Investing Activities	<u>(7,213,118,521)</u>	<u>(5,705,987,359)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash Proceeds frm Borrowings	10,541,155,776	7,379,691,423
Decrease in IMF related liabilities	(112,184,918)	(194,375,261)
Increase/(decrease) in foreign currency financial liabilities	493,233,454	(260,883,364)
Increase in Currency in circulation	260,118,261	318,239,662
Decrease in BOT liquidity papers	(211,965,199)	(249,944,804)
Decrease in allocation of Special Drawing Rights (SDRs)	(4,241,496)	(1,009,208)
Repayment of borrowings	(5,853,782,173)	(4,965,052,542)
Total Financing Activities	<u>5,112,333,705</u>	<u>2,026,665,906</u>
Net Increase / Decrease in Cash	<u>1,277,819,741</u>	<u>(5,791,027,683)</u>
Effect of Foreign Currency Changes	127,015	1,374,143
Cash to be surrendered to Holding Account	187,307,352	56,855,263
Cash and cash equivalent at beginning of period	5,912,265,066	11,758,773,869
Cash at the end of period	<u>7,002,904,470</u>	<u>5,912,265,066</u>



CPA Francis Mwakapalila
Accountant General

8th March, 2021
Date

THE GOVERNMENT OF TANZANIA

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE 2020

<i>Budget approved on the Cash Basis</i>	Original Budget	Reallocation	Final Budget	Actual on Comparable Basis	Difference
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
RECEIPTS					
Tax Revenue	19,100,933,300	-	19,100,933,300	17,932,864,352	1,168,068,948
Non-Tax Revenue	3,178,921,765	-	3,178,921,765	1,937,679,256	1,241,242,509
LGAs Own Sources	765,483,401	-	765,483,401	713,191,538	52,291,863
Project Loans and Grants	2,311,403,351	-	2,311,403,351	2,853,677,427	(542,274,076)
General Budget Support	272,812,600	-	272,812,600	432,400,284	(159,587,684)
Basket Loans and Grants	199,459,700	-	199,459,700	369,513,527	(170,053,827)
External Non- Concessional borrowing	2,316,403,500	-	2,316,403,500	2,389,387,672	(72,984,172)
Domestic Borrowing/Net	1,499,774,200	-	1,499,774,200	983,180,659	516,593,541
Domestic Finance Domestic Borrowing/ Roll over	3,460,218,000	-	3,460,218,000	3,976,811,178	(516,593,178)
	33,105,409,817	-	33,105,409,817	31,588,705,893	1,516,703,924
PAYMENTS					
Public Debt					
Interest on Domestic Borrowing	1,438,950,000	48,975,261	1,487,925,261	1,487,925,260	1
Interest on External Borrowing	987,312,000	(145,638,531)	841,673,469	839,944,474	1,728,994
Principal Domestic Loan	3,460,218,000	290,765,971	3,750,983,971	3,750,983,971	0
Principal External Loan	1,976,098,000	52,304,021	2,028,402,021	2,028,302,685	99,337
Contribution to Social Security Funds	1,255,970,000	(217,705,895)	1,038,264,105	1,038,264,052	53
Other Expenditure under CFS	611,464,708	(38,452,638)	573,012,070	570,863,902	2,148,168
	9,730,012,708	(9,751,811)	9,720,260,897	9,716,284,344	3,976,553
Other Charges					
Operating Protected Expenditure	2,771,613,329	66,062,240	2,837,675,569	2,710,647,381	127,028,188
LGAs Own Sources	460,539,501	(0)	460,539,501	316,608,866	143,930,635
Other Payments	335,667,597	(103,810,335)	231,857,262	221,907,966	9,949,297
	3,567,820,427	(37,748,095)	3,530,072,332	3,249,164,213	280,908,119
Employee Benefits					
Wages and Salaries	7,558,974,400	47,499,905	7,606,474,305	6,742,484,526	863,989,779
	7,558,974,400	47,499,905	7,606,474,305	6,742,484,526	863,989,779
Development Expenditures					
Domestic Financing	9,432,794,907	-	9,432,794,907	6,468,218,177	2,964,576,730
LGAs Own Sources	304,943,900	-	304,943,900	298,509,712	6,434,188
External Financing	2,510,863,475	-	2,510,863,475	1,680,612,616	830,250,859
	12,248,602,282	-	12,248,602,282	8,447,340,504	3,801,261,778
TOTAL PAYMENTS	33,105,409,817	-	33,105,409,817	28,155,273,587	4,950,136,230
NET RECEIPTS/ PAYMENTS	-	-	-	3,433,432,306	(3,433,432,306)



CPA Francis Mwakapalila
Accountant General

8th March, 2021
Date

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

1. GENERAL INFORMATION

To enhance accountability and transparency, the Government of the United Republic of Tanzania require all Public Sector Entities (PSE) to keep proper books of accounts that complies with the Generally Accepted Accounting Principles, Public Finance Act Cap, 348 with a number of Finance Acts that amended some sections and the International Public Sector Accounting Standards (IPSAS), other Guidelines and Directives as may be issued by the Paymaster General.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These consolidated financial statements of the Government reporting entity comply with Generally Accepted Accounting Practice as defined in the Public Finance Act, Cap 348 Section 30(1) and have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in TZS, which is the functional and reporting currency of the Government and all values are rounded to the nearest thousand (TZS 000).

The Government reporting entity is a public benefit entity. Public benefit entities are reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders. The measurement base applied is historic cost modified by the revaluation of property, plant and equipment and investment properties to determine deemed cost for initial recognition. These financial statements have been prepared on a going concern basis.

3. SCOPE OF CONSOLIDATION

As per requirements of IPSAS 35 *Consolidated Financial Statements*, paragraph 5 gives the controlling entity mandate of consolidating all the controlled entities, and exempts some of the controlled entities which are controlling entities in nature to prepare consolidated financial statements. IPSAS 35 paragraph 40 gives elaboration on the elimination of balances and transactions between entities within the economic entity for reporting periods, all inter-entity transactions, balances and unrealized gains and losses on transactions between entities of the Government are eliminated in full in the accounts reported for the year ending 30 June 2020.

4. AUTHORIZATION DATE

The consolidated financial statements were authorized for issue in accordance to Article 143(4) of the Constitution of the United Republic of Tanzania, 1977(revised in 2000).



Doto M. James
Paymaster General

5. REPORTING ENTITY

The reporting entities are categorized as per the Institutional table to mean General Government Sector and Public Corporations which are grouped as follows:

- i. **General Government Sector (GGS)**
 - a. Central Government
 - Budgetary
 - Extrabudgetary
 - Social Security Fund
 - b. Local Government Authorities
- ii. **Public Corporations**
 - Public Financial Corporations (PFC)
 - Public Non-Financial Corporations (PNFC)

I. GENERAL GOVERNMENT SECTOR (GGS)

Budgetary Central Government					
Instit. Code	Entity Code	Entity Description	Instit. Code	Entity Code	Entity Description
1.1	02	Teachers Service Commission (Vote 02)	1.52	60	Ministry of Industry, Trade and Investment -Trade and Investment (Vote 60)
1.10	14	Fire and Rescue Force (Vote 14)	1.53	61	Electoral Commission (Vote 61)
1.11	15	Commission for Mediation and Arbitration (Vote 15)	1.54	62	Ministry of Works, Transport and Communication - Transport (Vote 62)
1.12	16	Attorney General's Office (Vote 16)	1.55	64	Ministry of Agriculture, Livestock Development and Fisheries - Fisheries (Vote 64)
1.13	18	UNESCO Commission (Vote 18)	1.56	65	Prime Minister's Office - Labor, Youth Development, Employment and Disabilities (Vote 65)
1.14	19	Office of Solicitor General (Vote 19)	1.57	67	Public Service Recruitment Secretariat (Vote 67)
1.15	20	President's Office-The State House (Vote 20)	1.58	68	Ministry of Works, Transport and Communication - Communication (Vote 68)
1.16	21	The Treasury (Vote 21)	1.59	69	Ministry of Natural Resources and Tourism (Vote 69)
1.17	22	Public Debt and General Services (Vote 22)	1.6	09	Secretariat of Public Remuneration Board (Vote 09)
1.18	23	Accountant General's Department (Vote 23)	1.60	91	Drug Commission and Enforcement Authority (Vote 91)
1.19	24	Cooperative Development Commission (Vote 24)	1.61	92	Tanzania Commission for AIDS (Vote 92)
1.2	03	National Land use Planning Commission (Vote 03)	1.62	93	Immigration Department (Vote 93)
1.20	25	Prime Ministers' Office (Vote 25)	1.63	94	Public Service Commission (Vote 94)
1.21	26	Vice President's Office (Vote 26)	1.64	96	Ministry of Information, Culture, Arts and Sports (Vote 96)
1.22	27	Registrar of Political Parties (Vote 27)	1.65	98	Ministry of Works, Transport and Communication - Works (Vote 98)
1.23	28	Ministry of Home Affairs-Police Force (Vote 28)	1.66	99	Ministry of Agric, Livestock Develop and Fisheries - Livestock Develop (Vote 99)
1.24	29	Ministry of Home Affairs- Prisons (Vote 29)	1.67	100	Ministry of Minerals (Vote 100)
1.25	30	President's Office-Cabinet Secretariat (Vote 30)	1.68	36	Regional Administrative Secretariat Katavi (Vote 36)
1.26	31	Vice President's Office (Vote 31)	1.69	47	Regional Administrative Secretariat Simiyu (Vote 47)
1.27	32	President's Office - Public Service Mgt and Good Governance (Vote 32)	1.7	10	Joint Finance Commission (Vote 10)
1.28	33	Ethics Secretariat (Vote 33)	1.70	54	Regional Administrative Secretariat Njombe (Vote 54)
1.29	34	Ministry of Foreign Affairs and East African Cooperation (Vote 34)	1.71	63	Regional Administrative Secretariat Geita (Vote 63)
1.3	04	Records & Archives Management Department (Vote 04)	1.72	70	Regional Administrative Secretariat Arusha (Vote 70)
1.30	35	National Prosecutions Services (Vote 35)	1.73	71	Regional Administrative Secretariat Pwani (Vote 71)
1.31	37	Prime Minister's Office (Vote 37)	1.74	72	Regional Administrative Secretariat Dodoma (Vote 72)
1.32	38	Defence (Vote 38)	1.75	73	Regional Administrative Secretariat Iringa (Vote 73)
1.33	39	The National Service (Vote 39)	1.76	74	Regional Administrative Secretariat Kigoma (Vote 74)
1.34	40	The Judiciary Fund (Vote 40)	1.77	75	Regional Administrative Secretariat Kilimanjaro (Vote 75)
1.35	41	Ministry of Constitutional and Legal Affairs (Vote 41)	1.78	76	Regional Administrative Secretariat Lindi (Vote 76)
1.36	42	National Assembly Fund (Vote 42)	1.79	77	Regional Administrative Secretariat Mara (Vote 77)
1.37	43	Ministry of Agriculture, Livestock Development and Fisheries-Agriculture Sector (Vote 43)	1.8	12	Judiciary Service Commission (Vote 12)
1.38	44	Ministry of Industry, Trade and Investment - Industry (Vote 44)	1.80	78	Regional Administrative Secretariat Mbeya (Vote 78)
1.39	45	National Audit Office (Vote 45)	1.81	79	Regional Administrative Secretariat Morogoro (Vote 79)
1.4	05	National Irrigation Commission (Vote 05)	1.82	80	Regional Administrative Secretariat Mtwara (Vote 80)
1.40	46	Ministry of Education, Science and Technology (Vote 46)	1.83	81	Regional Administrative Secretariat Mwanza (Vote 81)
1.41	48	Ministry of Land, Housing and Human Settlement Development (Vote 48)	1.84	82	Regional Administrative Secretariat Ruvuma (Vote 82)
1.42	49	Ministry of Water and Irrigation (Vote 49)	1.85	83	Regional Administrative Secretariat Shinyanga (Vote 83)
1.43	50	Ministry of Finance and Planning (Vote 50)	1.86	84	Regional Administrative Secretariat Singida (Vote 84)
1.44	51	Ministry of Home Affairs (Vote 51)	1.87	85	Regional Administrative Secretariat Tabora (Vote 85)
1.45	52	Ministry of Health, Comm. Dev., Gender, Elderly and Children-Health (Vote 52)	1.88	86	Regional Administrative Secretariat Tanga (Vote 86)
1.46	53	Ministry of Health, Community Development, Gender and Children (Vote 53)	1.89	87	Regional Administrative Secretariat Kagera (Vote 87)
1.47	55	Commission for Human Rights & Good Governance (Vote 55)	1.9	13	Financial Intelligent Unit (Vote 13)
1.48	56	President's office-Regional Administration & Local Government (Vote 56)	1.90	88	Regional Administrative Secretariat Dar es Salaam (Vote 88)
1.49	57	Ministry of Defence and National Service (Vote 57)	1.91	89	Regional Administrative Secretariat Rukwa (Vote 89)
1.5	07	Treasury Registrar (Vote 07)	1.92	90	Regional Administrative Secretariat Songwe (Vote 90)
1.50	58	Ministry of Energy (Vote 58)	1.93	95	Regional Administrative Secretariat Manyara (Vote 95)
1.51	59	Law Reform Commission (Vote 59)			

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

5. REPORTING ENTITY (Continued)

Extrabudgetary units/entities			
Instit. Code	Entity Description	Instit. Code	Entity Description
0.2	Tanzania Revenue Authority - Revenue (TRA-REV)	2.197	Njombe Referral Regional Hospital
2.1	Agency for Development Education Management (ADEM)	2.198	Sekou-Toure Referral Regional Hospital
2.10	National Food Reserve Agency (NFRA)	2.199	Shinyanga Referral Regional Hospital
2.100	Tanzania Forest Research Institute (TAFORI)	2.2	Agriculture Seed Agency(ASA)
2.101	Tanzania Institute of Accountancy (TIA)	2.20	Tanzania Meteorological Agency (TMA)
2.102	Tanzania Public Service College (TPSC)	2.200	Simiyu Referral Regional Hospital
2.103	Tanzania Wildlife Research Institute (TAWIRI)	2.201	Singida Referral Regional Hospital
2.104	Tengeru Community Development Training(TCDTI)	2.202	Songea Referral Regional Hospital
2.105	University of Dar es Salaam (UDSM)	2.203	Songwe Referral Regional Hospital
2.106	University of Dodoma (UDOM)	2.204	Sumbawanga Referral Regional Hospital
2.107	Vocational Education Training Authority(VETA)	2.205	Tabora Referral Regional Hospital
2.108	Forest Industries Training Institute (FITI)	2.206	Temeke Referral Regional Hospital
2.109	Forest Training Institute (FTI - Olmotonyi)	2.207	Tumbi Referral Regional Hospital
2.11	National Housing Building Research Agency (NHBRA)	2.208	Kibong'oto Hospital
2.110	Beekeeping Training Institute (BTI)	2.209	Milembe Hospital
2.111	Water Development Management Institute (WDMI)	2.21	Tanzania National Road Agency (TANROADS)
2.112	Tanzania Livestock Training Institute (TALIRI)	2.210	Maweni Referral Regional Hospital
2.113	Pansiansi Wildlife Training Institute	2.211	Sokoine Referral Regional Hospital
2.114	National Bureau of Statistics (NBS)	2.212	ICT Commission
2.115	Tanzania Bureau of Standards(TBS)	2.213	Tanzania Gemmological Centre (TGC)
2.116	Agriculture Input Trust Fund (AGITF)	2.214	Tanzania Extractive Industries Transparency Initiative (TEITI)
2.117	Road Fund Board (RFB)	2.215	Uongozi Institute
2.118	Universal Communication Services Access Fund (UCSAF)	2.216	Rural Water Supply and Sanitation Agency (RUWASA)
2.119	Plant Breeders Rights Development Fund	2.217	Tanzania Agricultural Research Institute (TARI)
2.12	Registration Insolvency Trusteeship Agency (RITA)	2.218	Mwalimu Julius K. Nyerere University of Agriculture and Technology (MJNUAT)
2.120	Local Government Loans Board (LGLB)	2.22	Tanzania Rural Roads Agency (TARURA)
2.121	African Peer Review Mechanism (APRM)	2.23	Tanzania Tea Small Holders Development Agency (TTSDA)
2.122	Copyright Society of Tanzania (COSOTA)	2.24	Tanzania Tree Seed Agency (TTSA)
2.123	FAIR Competition Tribunal (FCT)	2.25	Tanzania Veterinary Laboratory Agency (TVLA)
2.124	Geological Survey of Tanzania (GST)	2.26	Weights and Measures Agency (WMA)
2.125	Tanzania Marine Parks and Reserves Unit (MPRU)	2.28	Capital Markets and Securities Authority (CMSA)
2.126	Medical Stores Department (MSD)	2.29	Energy and Water Regulatory Authority(EWURA)
2.127	National Museum of Tanzania (NMT)	2.3	Business Registrations and Licensing Agency (BRELA)
2.128	Tanzania Library Service (TSL)	2.30	Export Processing Zone Authority (EPZA)
2.129	Tanzania National Parks (TANAPA)	2.31	National Identity Authority (NIDA)
2.13	Rural Energy Agency (REA)	2.32	Ngorongoro Conservation Area Authority (NCAA)
2.130	Tax Revenue Appeal Tribunal(TRAT)	2.33	Occupational Safety Health Authority (OSHA)
2.131	Gaming Board of Tanzania (GBT)	2.34	Public Procurement Appeals Authority (PPAA)
2.132	Higher Education Student's Loans Board (HESLB)	2.35	Public Procurement Regulatory Authority(PPRA)
2.133	Tanzania Revenue Appeals Board (TRAB)	2.37	Tanzania Shipping Agencies Corporation (TASAC)
2.134	Tanzania Tourist Board (TTB)	2.38	Land Transport Regulatory Authority (LATRA)
2.135	Tanzania Warehouse Licensing Board(WLB)	2.39	Tanzania Airports Authority (TAA)
2.136	Town Planners Registration Board (TPRB)	2.4	Dar es salaam Rapid Transport Agency (DART)
2.137	Tanzania Institute of Adult Education (National Correspondent Institute)	2.40	Tanzania Civil Aviation Authority (TCAA)
2.138	National Institute for Medical Research (NIMR)	2.41	Tanzania Communication Regulatory Authority (TCRA)
2.139	National Institute for Productivity (NIP)	2.42	Tanzania Education Authority (TEA)
2.14	Tanzania Building Agency (TBA)	2.43	Tanzania Fertilizer Regulatory Authority (TFRA)
2.140	National Sugar Institute (NSI)	2.44	Tanzania Medicines & Medical Devices Authority (TMDA)
2.141	Tanzania Coffee Research Institute (TACRI)	2.45	Tanzania Revenue Authority (TRA)
2.142	Tanzania Fishing Research Institute (TAFIRI)	2.46	Tanzania Trade Development Authority (TANTRADE)
2.143	Tanzania Institute of Education (TIE)	2.47	Fair Competition Commission (FCC)
2.144	Tanzania Institute of Research and Development Organisation (TIRDO)	2.48	Tanzania Atomic Energy Commission(TAEC)
2.145	Tanzania Official Seed Certification Institute (TOSCI)	2.49	Tanzania Commission for Science & Technology (COSTECH)
2.146	Tea Research Institute of Tanzania (TRIT)	2.5	Drilling and Dam Construction Agency (DDCA)
2.147	Tobacco Research Institute of Tanzania (TORITA)	2.50	Tanzania Commission for Universities (TCU)
2.148	Tropical Pesticides Research Institute (TPRI)	2.51	Architects and Quantity Surveyors Registration Board (AQRB)
2.149	Baraza la Kiswahili Tanzania (BAKITA)	2.52	Contractors Registration Board (CRB)
2.15	Tanzania Electrical, Mechanical & Electronics Services Agency (TEMESA)	2.53	Engineers Registration Board (ERB)
2.150	National Arts Council (NAC)	2.54	Law School of Tanzania(LST)
2.151	National Construction Council (NCC)	2.55	National Board of Accountants and Auditors (NBAA)
2.153	National Council for Technical Education(NACTE)	2.56	Procurement and Supplies Professionals and Technicians Board (PSPTB)
2.154	National Economic Empowerment Council (NEEC)	2.57	Cereals and Other Produce Board (COPB)
2.155	National Environment Management Council (NEMC)	2.58	Sugar Board of Tanzania (SBT)
2.156	National Examination Council of Tanzania (NECTA)	2.59	Tanzania Cashew nut Board (TCashewB)
2.157	National Sports Council (NSC)	2.6	e-Government Agency (eGA)
2.158	Pharmacy Council of Tanzania (PCTz)	2.60	Tanzania Coffee Board (TCoffeeB)
2.159	Tanzania National Business Council (TNBC)	2.61	Tanzania Cotton Board (TCottonB)
2.16	Tanzania Employment Services Agency (TaESA)	2.62	Tanzania Dairy Board (TDB)
2.160	Tanzania Nurses and Midwifery Council (TNMC)	2.63	Tanzania Meat Board (TMB)
2.161	Centre for Agricultural Mechanization and Rural Technology (CAMARTEC)	2.64	Tanzania Pyrethrum Board (TPB)
2.162	Tanzania Centre for Foreign Relations (CFR)	2.65	Tanzania Sisal Board (TSB)
2.163	Corporation Sole Works Superintendent (CSWS)	2.66	Tanzania Tea Board(TTeaB)
2.164	Kibaha Education Centre (KEC)	2.67	Tanzania Tobacco Board(TTobaccoB)
2.165	Tanzania Automobile Technology Centre (TACT-NYUMBU)	2.68	Appropriate Technology Training Institute (ATTI) - Mbeya
2.166	Tanzania Food and Nutrition Centre (TFNC)	2.69	Ardhi University
2.167	Tanzania Investment Centre (TIC)	2.7	Fisheries Education Training Agency (FETA)
2.168	Muhimbili National Hospital (MNH)	2.70	Arusha Technical College (ATC)
2.169	Muhimbili Orthopedic Institute (MOI)	2.71	College of African Wildlife Management (Mweka)

Extrabudgetary units/entities			
Instit. Code	Entity Description	Instit. Code	Entity Description
2.17	Tanzania Forest Services Agency (TFSA)	2.72	College of Business Education (CBE)
2.170	Ocean Road Cancer Institute (ORCI)	2.73	Dar es Salaam Institute of Technology(DIT)
2.171	Jakaya Kikwete Heart Institute (JKHI)	2.74	Dar es Salaam University College of Education (DUCE)
2.172	Mbeya Zonal Referral Hospital (MZRH)	2.75	Dar-es-Salaam Maritime Institute (DMI)
2.173	Benjamini Mkapa Hospital (BMH)	2.76	East Africa Statistical Training Centre(EASTC)
2.174	Surface and Marine Transport Authority (SUMATRA)	2.77	Institute of Accountancy Arusha (IAA)
2.175	Minerals Commission	2.78	Institute of Finance Management (IFM)
2.176	Tanzania Wildlife Management Authority (TAWA)	2.79	Institute of Judicial Administration (IJA) - LUSHOTO
2.177	Petroleum Upstream Regulatory Authority (PURA)	2.8	Government Chemist Laboratory Authority (GCLA)
2.178	Valuers Registration Board (VRB)	2.80	Institute of Rural Development Planning (IRDP)
2.18	Tanzania Global Learning Agency (TaGLA)	2.81	Institute of Social Works (USTAWI)
2.180	Public Service Advance Fund (PSAF)	2.82	Tanzania Forest Fund (TFF)
2.181	Dakawa Development Centre (DDC)	2.83	Kivukoni College (Mwalimu Nyerere Memorial Academy)
2.182	Amana Referral Regional Hospital	2.84	Likuyu Sekamaganga Wildlife College
2.183	Bombo Referral Regional Hospital	2.85	Livestock Training Agency (LITA)
2.184	Dodoma Referral Regional Hospital	2.86	Local Government Training Institute (Hombolo)
2.185	Geita Referral Regional Hospital	2.87	Mbeya University of Science & Technology (MUST)
2.186	Iringa Referral Regional Hospital	2.88	Mineral Resources Institute (MRI)
2.187	Kagera Referral Regional Hospital	2.89	Mkwawa University College of Education (MUCE)
2.188	Katavi Referral Regional Hospital	2.9	Government Procurement Services Agency (GPSA)
2.189	Ligula Referral Regional Hospital	2.90	Morogoro Works Training Institute (MWTI)
2.19	Tanzania Government Flight Agency (TGFA)	2.91	Moshi University College of Cooperative and Business Studies (MUCCOBS)
2.190	Manyara Referral Regional Hospital	2.92	Muhimbili University Of Health and Allied Sciences (MUHAS)
2.191	Mara Referral Regional Hospital	2.93	Mzumbe University(MU)
2.192	Mawenzi Referral Regional Hospital	2.94	National College of Tourism (NCT)
2.193	Mbeya Referral Regional Hospital	2.95	National Institute of Transport (NIT)
2.194	Morogoro Referral Regional Hospital	2.96	Nelson Mandela African Institute of Science & Technology (NM-AIST)
2.195	Mt. Meru Referral Regional Hospital	2.97	Open University of Tanzania(OUT)
2.196	Mwananyamala Referral Regional Hospital	2.98	Sokoine University of Agriculture (SUA)
		2.99	Taasisi ya Sanaa na Utamaduni Bagamoyo (TASUBA)

Social Security Funds	
Institutional Code	Entity Description
3.1	National Health Insurance Fund(NHIF)
3.4	National Social Security Fund (NSSF)
3.7	Workman Compensation Fund (WCF)
3.8	Public Service Social Security Fund (PSSSF)

5. REPORTING ENTITY (Continued)

Local Governments					
Instit. Code	Entity Description	Instit. Code	Entity Description	Instit. Code	Entity Description
5.1	Arusha City Council	5.155	Ikungi District Council	5.44	Nsimbo District Council
5.10	Kigamboni Municipal Council	5.156	Iramba District Council	5.45	Mpimbwe District Council
5.100	Masasi Town Council	5.157	Itigi District Council	5.46	Buhigwe District Council
5.101	Mtwara District Council	5.158	Manyoni District Council	5.47	Kakonko District Council
5.102	Mtwara Municipal Council	5.159	Mkalama District Council	5.48	Kasulu District Council
5.103	Nanyumbu District Council	5.16	Chemba District Council	5.49	Kasulu Town Council
5.104	Newala District Council	5.160	Singida District Council	5.5	Meru District Council
5.105	Newala Town Council	5.161	Singida Municipal Council	5.50	Kibondo District Council
5.106	Nanyamba Town Council	5.162	Ileje District Council	5.51	Kigoma District Council
5.107	Tandahimba District Council	5.163	Mbozi District Council	5.52	Kigoma-Ujiji Municipal Council
5.108	Ilemela Municipal Council	5.164	Momba District Council	5.53	Uvinza District Council
5.109	Kwimba District Council	5.165	Tunduma Town Council	5.54	Hai District Council
5.11	Ubungo Municipal Council	5.166	Songwe District Council	5.55	Moshi District Council
5.110	Magu District Council	5.167	Igunga District Council	5.56	Moshi Municipal Council
5.111	Misungwi District Council	5.168	Kaliua District Council	5.57	Mwanga District Council
5.112	Buchosa District Council	5.169	Nzegga District Council	5.58	Rombo District Council
5.113	Mwanza City Council	5.17	Dodoma Municipal Council	5.59	Same District Council
5.114	Sengerema District Council	5.170	Nzegga Town Council	5.6	Monduli District Council
5.115	Ukerewe District Council	5.171	Sikonge District Council	5.60	Siha District Council
5.116	Ludewa District Council	5.172	Tabora Municipal Council	5.61	Kilwa District Council
5.117	Makambako Town Council	5.173	Urambo District Council	5.62	Lindi District Council
5.118	Makete District Council	5.174	Uyui District Council	5.63	Lindi Municipal Council
5.119	Njombe District Council	5.175	Bumbuli District Council	5.64	Liwale District Council
5.12	Temeke Municipal Council	5.176	Handeni District Council	5.65	Nachingwea District Council
5.120	Njombe Town Council	5.177	Handeni Town Council	5.66	Ruangwa District Council
5.121	Wanging'ombe District Council	5.178	Kilindi District Council	5.67	Babati Town Council
5.122	Bagamoyo District Council	5.179	Korogwe Town Council	5.68	Babati District Council
5.123	Kibaha District Council	5.18	Kondoa District Council	5.69	Hanang District Council
5.124	Kibaha Town Council	5.180	Korogwe District Council	5.7	Ngorongoro District Council
5.125	Kisarawe District Council	5.181	Lushoto District Council	5.70	Kiteto District Council
5.126	Mafia District Council	5.182	Muheza District Council	5.71	Mbulu District Council
5.127	Mkuranga District Council	5.183	Mkinga District Council	5.72	Mbulu Town Council
5.128	Rufiji District Council	5.184	Pangani District Council	5.73	Simanjiro District Council
5.129	Kibiti District Council	5.185	Tanga City Council	5.74	Bunda District Council
5.13	Dar es Salaam City Council	5.19	Kondoa Town Council	5.75	Bunda Town Council
5.130	Chalinze District Council	5.2	Arusha District Council	5.76	Butiama District Council
5.131	Kalambo District Council	5.20	Kongwa District Council	5.77	Musoma District Council
5.132	Nkasi District Council	5.21	Mpwapwa District Council	5.78	Musoma Municipal Council
5.133	Sumbawanga District Council	5.22	Bukombe District Council	5.79	Rorya District Council
5.134	Sumbawanga Municipal Council	5.23	Chato District Council	5.8	Ilala Municipal Council
5.135	Mbinga District Council	5.24	Geita District Council	5.80	Serengeti District Council
5.136	Mbinga Town Council	5.25	Geita Town Council	5.81	Tarime District Council
5.137	Songea District Council	5.26	Mbogwe District Council	5.82	Tarime Town Council
5.138	Songea Municipal Council	5.27	Nyang'hwale District Council	5.83	Busokelo District Council
5.139	Tunduru District Council	5.28	Iringa District Council	5.84	Chunya District Council
5.14	Bahi District Council	5.29	Iringa Municipal Council	5.85	Kyela District Council
5.140	Namtumbo District Council	5.3	Karatu District Council	5.86	Mbarali District Council
5.141	Nyasa District Council	5.30	Kilolo District Council	5.87	Mbeya City Council
5.142	Madaba District Council	5.31	Mafinga Town Council	5.88	Mbeya District Council
5.143	Kahama Town Council	5.32	Mufindi District Council	5.89	Rungwe District Council
5.144	Kishapu District Council	5.33	Biharamulo District Council	5.9	Kinondoni Municipal Council
5.145	Msalala District Council	5.34	Bukoba District Council	5.90	Gairo District Council
5.146	Shinyanga District Council	5.35	Bukoba Municipal Council	5.91	Kilombero District Council
5.147	Shinyanga Municipal Council	5.36	Karagwe District Council	5.92	Kilosa District Council
5.148	Ushetu District Council	5.37	Kyerwa District Council	5.93	Morogoro District Council
5.149	Bariadi District Council	5.38	Misenyi District Council	5.94	Morogoro Municipal Council
5.15	Chamwino District Council	5.39	Muleba District Council	5.95	Mvomero District Council
5.150	Bariadi Town Council	5.4	Longido District Council	5.96	Ulanga District Council
5.151	Busega District Council	5.40	Ngara District Council	5.97	Ifakara Town Council
5.152	Itilima District Council	5.41	Mlele District Council	5.98	Malinyi District Council
5.153	Maswa District Council	5.42	Mpanda District Council	5.99	Masasi District Council
5.154	Meatu District Council	5.43	Mpanda Municipal Council		

5. REPORTING ENTITY (Continued)

II. PUBLIC CORPORATIONS

Financial Corporations			
Institutional Code	Entity Description	Institutional Code	Entity Description
6.1	Small Enterprises Loan Fund (SELF)	6.2	Deposit Insurance Board
6.10	Tanzania Investment Bank (TIB) - Development Bank	6.3	Unit Trust of Tanzania - AMIS
6.11	Tanzania Postal Bank (TPB)	6.5	National Insurance Corporation (NIC)
6.13	Dar es Salaam Development Corporation (DDC)	6.6	Tanzania Insurance Regulatory Authority (TIRA)
6.14	Tanzania Agricultural Development Bank (TADB)	6.7	Bank of Tanzania

Nonfinancial Corporations			
Institutional Code	Entity Description	Institutional Code	Entity Description
7.1	Air Tanzania Company Ltd (ATCL)	7.46	Kahama Urban Water Supply and Sanitation Authority (KUWASA)
7.10	National Housing Corporation (NHC)	7.47	Kigoma Ujiji Urban Water Supply and Sanitation Authority (KUUWASA)
7.11	National Ranching Company (NARCO)	7.48	Bukoba Water Supply and Sanitation Authority (BUWASA)
7.13	Small Industries Development Organisation (SIDO)	7.49	Lindi Water Supply and Sanitation Authority (LUWASA)
7.14	State Mining Corporation (STAMICO)	7.5	Dar es Salaam City Council Business Park (DCCBP-Machinga Complex)
7.15	Suma JKT Company	7.50	Manyara Water Supply and Sanitation Authority (BAWASA)
7.16	Tanzania Broadcasting Company (TBC)	7.51	Mara Water Supply and Sanitation Authority (MUWASA)
7.17	Tanzania Electric Supply Co. Ltd. (TANESCO)	7.52	Mbeya Water Supply and Sanitation Authority (MBUWASA)
7.18	Tanzania Engineering & Manufacturing Design (TEMDO)	7.53	Morogoro Water Supply and Sanitation Authority (MORUWASA)
7.19	Tanzania Fertilizer Company (TFC)	7.54	Mtwara Water Supply and Sanitation Authority (MTUWASA)
7.2	Cooperative Audit and Supervision Corporation (COASCO)	7.55	Mwanza Water Supply and Sanitation Authority (MWAUWASA)
7.20	Tanzania Petroleum Development Corporation (TPDC)	7.56	Rukwa Water Supply and Sanitation Authority (SUWASA)
7.21	Tanzania Ports Authority (TPA)	7.57	Ruvuma Water Supply and Sanitation Authority (SOWASA)
7.22	Tanzania Posts Corporation (TPC)	7.58	Simiyu Water Supply and Sanitation Authority (SIMWASA)
7.23	Tanzania Railways Corporation (TRC)	7.59	Shinyanga Water Supply and Sanitation Authority (SHUWASA)
7.24	Tanzania Standard Newspapers (TSN)	7.6	Arusha International Conference Centre (AICC)
7.25	Tanzania Telecommunication Company Ltd (TTCL)	7.60	Tanga Water Supply and Sanitation Authority (TAUWASA)
7.26	Watumishi Housing Corporation (WHC)	7.61	Tabora Water Supply and Sanitation Authority (TUWASA)
7.28	Pangani Water Basins	7.62	Geita Water Supply and Sanitation Authority (GEIWASA)
7.29	Wami Ruvu Water Basins	7.63	Singida Water Supply and Sanitation Authority (SIWASA)
7.3	Kariakoo Market Corporation (KMC)	7.64	Mpanda Water Supply and Sanitation Authority (MPAWASA)
7.30	Lake Tanganyika Water Basins	7.65	Njombe Water Supply and Sanitation Authority (NJOWASA)
7.31	Ruvuma River Water Basins	7.66	Makonde National Project Water Authority
7.32	Rufiji Water Basins	7.67	Chalinze Water Supply Authority
7.33	Lake Nyasa Water Basins	7.68	Waging'ombe National Project Water Authority
7.34	Lake Rukwa Water Basin	7.69	Mugango-Kiabakari-Butiama Water Supply Project
7.35	Lake Victoria Water Basins	7.7	Marine Service Company Limited (MSCL)
7.36	Songwe River Water Basins	7.70	Handeni Trunk Main (HTM) Water Authority
7.37	Internal Drainage Basin Water Board (IDBWB)	7.71	Kahama Shinyanga Water Supply and Sewerage Authority (KASHWASA)
7.4	Kilimanjaro Airport Development Company Ltd (KADCO)	7.72	Masasi Nachingwea Water Supply and Sanitation Authority (MANAWASA)
7.40	National Water Investment Fund (NWIF)	7.73	Maswa National Project Water Authority (MANPWA)
7.41	Arusha Urban Water Supply and Sanitation Authority (AUWASA)	7.75	Mzinga Holding Company Limited (MHCL)
7.42	Dar es Salaam Water Supply and Sanitation Authority (DAWASA)	7.76	Vwawa-Mlowo Water Supply and Sanitation Authority (VWSSA)
7.43	Dodoma Water Supply and Sanitation Authority (DUWASA)	7.79	Tanzania Film Board (TFB)
7.44	Iringa Water Supply and Sanitation Authority (IRUWASA)	7.8	Mzinga Corporation
7.45	Kilimanjaro Water Supply and Sanitation Authority (MOWASA)	7.9	National Development Corporation (NDC)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Consolidation

The controlled entities are all those entities which the Government has the power to govern the financial and operating policies. The controlled entities are fully consolidated from the date on which control is transferred to the controlling entity. They are de-consolidated from the date that control ceases. Inter- group transactions, balances and unrealized gains and losses on transactions between entities of the Government are eliminated in full. The accounting policies of the controlled entities are consistent with the policies adopted by the Government.

b) Reporting Period

The reporting period for these financial statements is the financial year of the Government which runs from 01st July 2019 to 30th June 2020.

c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Government are measured using the currency of the primary economic environment in which the Government operates (“the functional currency”). The financial statements are presented in Tanzanian TZS (TZS), which is the Government’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Tanzanian TZS using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are in the statement of financial performance.

d) Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, and is measured at amortized cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

e) Provisions

During the financial year, the Government has a present obligation (legal or constructive) as a result of past events, these events has a great probability that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Government expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in surplus/deficit net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is as a finance cost.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. They include relationship with subsidiaries, associates, joint Venture and key management personnel. Key management personnel include the President, Vice President, Prime Minister, Ministers and Deputy Ministers, Permanent Secretaries and other Accounting Officers, Board Members, Senior Management Group, Key Advisors and Members of Parliament. The Government's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

g) Employee Benefits

Employee Benefits include salaries, pensions and other related employment costs. The Government of the United Republic of Tanzania operates defined contribution plans, where contributions are made to Public Service Social Security Fund (PSSSF), National Social Security Fund (NSSF) and Workers Compensation Fund (WCF) where both employer and employee contribute to the funds. Additionally, the Government of the United Republic of Tanzania operates an insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF). Both the employee and employer contribute 3% of gross salary to NHIF, while Fire and Rescue Force, Police Force, Prison Services and Immigration employer's contribution is 6.25% of gross salary and no contribution from employees. Employer's portion of social security contributions and health benefits plan contributions are made directly to the respective funds by the Ministry of Finance and Planning. Moreover, there is severance allowance which is also a defined plan. The plan is unfunded but the participants of this plan are operational service staff. Severance allowance is computed based on employee's final salary and number of years in employment.

h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance lease

The Government as lessor

Lessors shall recognize lease payments receivable under a finance lease as assets in their statements of financial position. They shall present such assets as a receivable at an amount equal to the net investment in the lease. Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the lessor, and thus the lease payment receivable is treated by the lessor as repayment of principal and finance revenue to reimburse and reward the lessor for its investment and services.

The Government as Lessee

At the commencement of the lease term lessees shall recognize assets acquired under finance leases as assets and the associated lease obligations as liabilities in their statements of financial position. The assets and liabilities shall be recognized at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used.

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

Operating lease

The Government as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and on a straight-line basis over the lease term.

The Government as lessee

Rentals payable under operating leases are charged as an expense to the statement of financial performance on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

i) Revenue

Revenue represents amount earned not necessarily received during the financial year, and comprises tax, non-tax revenue, financing income and external assistance.

Tax

Tax revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The Authority assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

No.	Tax	Taxable Event
i.	<ul style="list-style-type: none"> ✚ Airport and Port Departure Charge ✚ Pay-As-You-Earn (PAYE) ✚ Payroll/Skills and Development Levy ✚ Stamp Duty Other than Stamp Duty on Receipt ✚ Withholding Tax – Others 	Recognised as revenue when funds are received by TRA. Additional revenues, identified after review of taxpayer returns, are recognised upon adjusted/amended assessment.
ii.	<ul style="list-style-type: none"> ✚ Assessed Income Tax – Individual ✚ Corporate Tax 	Measured from amounts assessed or reassessed, and from estimates of amounts not yet assessed or reassessed based on cash receipts that relates to the fiscal year ended 30 June. Annual revenues also include adjustments between the estimated revenues on previous year and actual amounts, as well as revenues from reassessments relating to prior years. Revenues do not include estimates on unreported taxes, or the impact of future reassessment that cannot yet be reliably measured.
iii.	<ul style="list-style-type: none"> ✚ Bed Night Levy ✚ Customs – Agency Fees ✚ Customs – Auction Sales ✚ Customs – Transit Fees ✚ Customs – Warehouse Rent ✚ Customs – Printing and Publications ✚ Presumptive Income Tax 	Recognised when it is probable that future economic benefits will flow to the Authority and the amount can be measured reliably.
iv.	<ul style="list-style-type: none"> ✚ Driving License Fees ✚ Driving Test Fees 	Recognised on assessment. This is when payment notice is issued to the licensee.

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

No.	Tax	Taxable Event
v.	<ul style="list-style-type: none"> ✚ Customs Penalties ✚ Income Tax Interest and Penalties ✚ Motor Vehicle Foreign Vehicle Permit (FVP) Fees ✚ Motor Vehicle Penalties ✚ Motor Vehicle Transfer Tax ✚ Motor Vehicle Transit Charges ✚ Personalised Plate Numbers ✚ Property Rate ✚ Stamp Duty on Sale of Vehicles ✚ Value Added Taxes (VAT) on Goods and Services - Local ✚ VAT Interest and Penalties ✚ Wharfage Charges ✚ Withholding Tax - Capital Gain ✚ Withholding Tax – Gaming 	Recognised as revenue on assessment, and when becomes due and payable.
vi.	<ul style="list-style-type: none"> ✚ Excise Duty on Goods and Services – Local 	Recognised on production of excisable good when returns have been submitted at the end of the month following the month of production or provision of services.
vii.	<ul style="list-style-type: none"> ✚ Motor Vehicle Annual Fees 	Recognised initially on importation/manufacturing upon declaration/assessment. Subsequently, revenue is recognised on due date.
viii.	<ul style="list-style-type: none"> ✚ Motor Vehicle Registration Fees 	Recognised on importation/manufacturing upon declaration/assessment.
ix.	<ul style="list-style-type: none"> ✚ Other Customs' Collection ✚ Other Import Charges 	Recognized when the obligation to pay the levy is incurred.
x.	<ul style="list-style-type: none"> ✚ Customs and Other Duties on Imports ✚ Customs Processing Fee – DRY CARGO ✚ Customs Processing Fee – WET CARGO ✚ Excise Duty on Imports ✚ Fuel Levy ✚ Import Duty ✚ Petroleum Levy ✚ Railway Development Levy ✚ Value Added Tax on Imports 	Recognised upon declaration for home use.
xi.	<ul style="list-style-type: none"> ✚ Export Levy 	Recognised upon declaration for export.

External Assistance

External assistance received by Government forms part of grants. External assistance received by all Government entities is accounted for centrally by the Ministry responsible for Finance and Planning which is the principal recipient on behalf of the Government.

Social Contribution

Employers' and employees' contributions are accounted for on accrual basis. Contribution income is to the extent and the amount of contribution established based on salary actually paid by member employer to member employees.

Transfers

These are funds/assets received or transferred to or from the other Government entities, agencies or other third parties.

Non-Tax Revenue

All revenue collected by the Government which is not related to the tax activities; these include fees, fines and penalties collected during the financial year.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment income

Government receives revenue in forms of dividend or other earnings, and such income is recognized as revenue in the period in which is declared.

Rental Income

Rental income from investment properties is recognized on a straight-line basis over the term of the relevant lease.

Gross premiums

Gross recurring premiums on life and investment contracts with discretionary participation features (DPF) are recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date on which the policy is effective. Gross general insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognized on the date on which the policy commences. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross premium; others are as an expense. Premium collected by intermediaries but not yet received, is assessed based on estimates from underwriting or past experience and are included in premiums written. Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

j) Expenses

Under accrual basis expenditure is recorded in the accounts when it is incurred and not necessarily when it is paid for.

k) Inventories

Inventories held for sale are stated at the lower of cost or net realizable value. Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost and current replacement cost. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- *Raw materials* – purchase cost on first in first out basis.
- *Stationeries and other consumables* – cost is determined on first in first out basis.
- *Finished goods and work in progress* – cost of direct materials and labour and a proportion of manufacturing overheads based on normal capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

l) Agriculture assets

Agriculture assets are measured at their fair value less estimated point-of-sale costs. These assets are re-valued at their net market values each year at the reporting date.

Net market value is calculated as the difference between the net present value of cash flows expected to be generated by the plantation and the fair value of the land on which the assets are grown.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Increase/decrease in the net market value from the previous valuation is recognized as revenue/expense in the statement of financial performance.

Periodic changes resulting from growth, prices, discount rate, costs and other premise changes are included in the consolidated statement of financial performance.

m) Losses

The National Assembly may, by resolution, authorize the Minister responsible for Finance to the extent specified in the resolution to abandon and remit any claims by or on behalf of the Government or any service thereof and to write off losses of moneys or stores belonging to the Government or provided for the public service.

The Minister responsible for Finance may by writing under his hand delegate to any officer any powers which he is authorized to exercise by resolution of the National Assembly.

Losses are proposed to be disclosed in the statement of Losses of Public Money, stores written off and claims abandoned.

n) Interest bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus/deficit when the liabilities are derecognized as well as through the amortization process.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

p) Intangible assets

Intangible assets (consisting of computer software) acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalized and expenditure is charged against surplus/deficit in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The expected useful life is approximately 5 years.

The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of financial performance. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

carrying amount of the asset and are recognized in surplus/deficit when the asset is derecognized.

q) Investments and other financial assets

Financial assets within the scope of IPSAS 29 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Government determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Financial assets at fair value through profit or loss

Financial assets at fair value through surplus or deficit includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Government has the positive intention and ability to hold to maturity. After initial measurement held-to-maturity investments are measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus/deficit when the investments are derecognized or impaired, as well as through the amortization process.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in surplus/deficit when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-for-sale financial investments

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognized in surplus/deficit.

Fair value: The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

Amortized cost: Held-to-maturity investments and loans and receivables are measured at amortized cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Tax Deposits

These include Dar es Salaam Service Centre Customs & Excise Deposits, Escrow Deposits (Fuel), Container Deposits, Fuel Deposits, and other deposits in the Regions.

Custom Deposits – Security for Transaction

These are recognised as deposits upon receipts. Revenue is recognised when tax is assessed on transaction.

Custom Deposits – Provision on Clearance

These are recognised as deposits upon receipts. Revenue is recognised when tax is assessed on transaction. Excess deposit, if any, is then refunded to the taxpayer.

Custom Deposits – Temporary Admission

These are recognised as deposits upon receipts. Revenue is recognised when the purpose for which they have been admitted is terminated and the goods has not been re-exported. When the goods are re-exported, the tax payer will receive a refund of the deposit.

Custom Deposits on Objection Tax and Domestic Deposits on Disputed Assessment

These are recognised as deposits upon receipts. Upon the successful completion of the objection, the deposits is recognised as revenue. Otherwise the deposit is refunded to the taxpayer.

s) Tax Refunds

Tax refund is recognised as a liability when the Authority has a present legal obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The Authority received funds from the Treasury to cater for the payment of the refunds.

t) Treasury Voucher Cheques

Treasury Voucher Cheques (TVCs) are expenses paid through the tax system. These are payments made by the Treasury to the tax authority to cover for import and excise duties to exempted persons. The exempted persons in this regard are civil servants and public officials, Non-Governmental organisations and Religious organisations. The revenue is measured at fair value, and recognised as revenue upon declaration, as this is the time when revenue can be measured reliably. The amount due from Treasury at the end of the year is recognised as an asset.

u) Segmental Information

The nature of the Government as prescribed by the Public finance Act 2001(as revised 2004) section 25 requires Ministries, Department Agencies, RS, LGAs, independent Offices and State Owned Enterprises to prepare its Financial Statements and submit to the Controller and Auditor General and Accountant General's Department for Consolidation purposes. Segmental information has been provided based on the sectors coverage, before elimination.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Impairment of financial assets

The Government has tested all the assets at the statement of financial position date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

The amount of the impairment loss have been measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in surplus/deficit. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in surplus/deficit.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the entity will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

Financial investments available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in surplus/deficit, is transferred from equity to surplus/deficit. Reversals in respect of equity instruments classified as available-for-sale are not recognized in surplus/deficit. Reversals of impairment losses on debt instruments are reversed through surplus/deficit; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in surplus/deficit.

w) Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Where the Entity has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the entity's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of financial performance.

x) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the statement of financial performance for the period in which they arise.

y) Non-current assets held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal group) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

z) Taxpayer's fund/Share Capital

This is the monies invested by the Government to satisfy individual or collective needs or to create future economic benefits. It includes all monies invested on capital expenditure. In this context, Taxpayers fund may include all resources contributed by tax payers directly for service potential or other economic future benefits for the public operations.

aa) Comparatives

To ensure consistency with the current period, comparative figures are reclassified where appropriate.

bb) Guarantees

Financial guarantee contracts issued by the Government are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

cc) Property, plant and equipment

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

The Government has adopted straight line method for depreciation of Public Assets which is allocated systematically over the useful life of the respective assets, Government Asset Guidelines issued by DGAM and the applicable accounting policies. The depreciable amount of an asset shall be allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation shall be applied over the useful life of the assets. In accordance with the Generally Acceptable Valuation Principles (GAVP), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

Assets ran an economic life peculiar to themselves depending on make, constant handling and operational use. Some assets are continued in use much beyond the EUL due to periodical maintenance and repairs. Assets expected life are projected in ranges as follows:

Asset Category	Estimated Useful life
Administration assets	
Leasehold land	Over the lease term
Buildings	
• Residential	50
• School	75
• Hospital	60
• Office	50
• Dwelling	50
Plant and machinery	15
Furniture and fixture	5
Office Equipment	5
Motor vehicles	
▪ Heavy duty (5 tons and above)	10
▪ Light duty (below 5 tons)	5
Motor cycle	7
Computer (Desk tops and laptops)	4
Video Conference equipment	4
Servers	7
Network/Telecom equipment	7
Equipment Racks	10
Other equipment (with purchase value > or = \$50,000)	10
Automated file storage equipment	7
Equipment for production, storage and viewing of microforms	7
Document processing equipment e.g. Photocopiers, mail handling equipment, check handling equipment and shredders	7
Television studio, cameras and other photographic equipment	7
Uninterruptible power supplies (UPS)	7
Infrastructural assets	
Leasehold land	Over the lease term

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Category	Estimated Useful life
Roads	
▪ Gravel roads	4
▪ Tarmac roads- Asphalt	10
▪ Tarmac Roads - surface dressing	7
▪ Earth roads (initial cost) and culverts/drifts	Entity judgment depending on the type of the Earth
▪ Aircraft runways	20
Bridges	
▪ Wooden bridges	2
▪ Concrete bridges	100
▪ Steel bridges	50
▪ Concrete culverts	50
▪ Steel culverts	20
▪ Drifts -vented (with steel pipes)	20
▪ Drifts - Concrete (solid)	50
Buildings	
• Residential	50
• School	75
• Hospital	60
• Office	50
• Dwelling	50
Shallow wells	15
Boreholes	15
Sewerage systems	15
Water systems	15
Drainage systems	15
Agriculture and livestock extension system	25
Plant and machinery e.g. Caterpillar, Excavator, Heavy Generators etc.	15
Furniture, fixture and equipment	10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

dd) Property, plant and equipment (Continued)

Asset Category	Estimated Useful life
Infrastructural assets (Continued)	
Motor vehicles	
▪ Heavy duty (5 tons and above)	10
▪ Light duty (below 5 tons)	5
Motor cycle	7
Computer hardware	5
Ships	50
Ferries & Boats	25
Tractor	10
Aircraft (G550)	40,000 flight hours
Aircraft (Fokker 28)	90,000 flight hours
Aircraft (Fokker 30)	90,000 flight hours
Piper Navajo PA 31	11,000 flight hours
Bombardier CRJ 200	12,000 flight hours
Bombardier Global6000	12,000 flight hours
Dreamliner	12,000 flight hours
Airbus	12,000 flight hours
Drill Rigs	10
Compressors (used for Drilling Dams)	10
Excavator (used for Drilling Dams)	10
Bull Dowser	10
Sheep foot roller	10
Boreholes (0-200 meters) Hand pumped well	30
Shallow wells (0-100 meters) Hand pumped well	40
Large Dam Earth fill 15-20 meters > 1,000,000 cubic meters	25
Medium Dam Earth fill 5-15 meters 250,000 - 1,000,000 cubic meters	20
Small Dam (Chaco) Earth fill > 5 meters 25,000 - 250,000 cubic meters	20
Sub Surface Dam Concrete or masonry 3-10 meters 45,000 - 150,000 cubic meters	40
Locomotives	25
Rolling Stock	35
Telecom & Signaling	25
Permanent way (for locomotives)	40
Bridges & Culverts(for locomotives)	60

The carrying values of cash – generating property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Review of Assets Estimated Useful Life

Assets are subject to annual reviews to determine its remaining economic life. Consideration is given to the appropriateness of the assets value, its asset life and any other factor affecting its usefulness. Significant discrepancies lead to adjustment of the asset life or asset value. Whereas, heritage assets may vary in value over time and they are not subjected to normal depreciation.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

dd) Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognized.

The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end. When each major inspection is performed, its cost is recognized in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied.

The following recognition criteria are used for roads:

<u>Description</u>	<u>Years</u>
Road formation	20
Routine maintenance (expensed)	N/A
Spot maintenance*	
Periodic maintenance	
▪ Gravel roads	4
▪ Tarmac roads	10

*Spot maintenance is evaluated on individual basis to determine whether they meet the recognition criteria for an asset, or need to be expensed.

ee) Impairment of non-financial assets

The Government assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Government makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the statement of financial performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of financial performance.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ff) Associates

An associate is an entity over which the Government has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Government's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Government's interest in that associate (which includes any long-term interests that, in substance, form part of the Government's net investment in the associate) are not recognized, unless the Government has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Government's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Government's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in surplus/deficit. Where a Government transacts with an associate of the Government, profits and losses are eliminated to the extent of the Government's interest in the relevant associate.

gg) Interests in joint Venture

A joint arrangement is a contractual arrangement whereby the Government and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Where an entity undertakes its activities under joint Venture directly, the entity's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Government's share of the output of jointly controlled assets, and its share of joint Venture expenses, are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Government and their amount can be measured reliably.

Joint Venture that involve the establishment of a separate entity in which each participating party has an interest, are referred to as jointly controlled entities. The Government reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under Non-current Assets Held for Sale and Discontinued Operations. The Government's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis. Any goodwill arising on the acquisition of the Government's interest in a jointly controlled entity is accounted for in

accordance with the Government's accounting policy for goodwill arising on the acquisition of a subsidiary. Where the Government transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Government's interest in the joint arrangement investment.

7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

These financial statements reflect the financial position (service potential and financial capacity) as at 30 June 2020, and the financial results of operations and cash flows for the year ended on that date. Underpinning these financial statements are a number of judgments, estimations and assumptions. These include assumptions and judgments about the future, in particular, the service benefits and future cash flows in relation to existing assets and liabilities. The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the disclosed amounts of assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

a) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pension include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The government determine appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, they also consider the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Judgments, Estimates and Assumptions

The preparation of these financial statements requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future, as with the settlement of outstanding claim obligations and Government pensions and retirement benefits, depends critically on judgments regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments:

In the process of preparing the Government's financial statements, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts disclosed in the financial statements.

Recognition of tax revenue

Tanzania tax system is based on self-assessment where taxpayers are expected to understand the tax laws and comply with them. This has an impact on the completeness of tax revenues when taxpayers fail to comply with tax laws, for example, if they do not report all of their income.

Tax revenue is recognised on an accruals basis in the period the taxable event occurs. It is deemed to accrue evenly over the period to which it relates. Where tax returns have not been filed for the relevant period, accrued tax revenue receivable or payable has been estimated based on current provisional assessments, prior year final assessments or any other information available to the Commissioner General at that particular time. The outcome of tax revenue and refunds is not known with certainty until income tax returns for the period have been filed. This usually occurs sometime after the publication of these financial statements.

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Impairment of tax receivables

Tax receivables are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An impairment loss is recognized for the amount by which the carrying amount of the tax receivable exceeds its recoverable amount. Tax receivables are recognised on the assumption that the taxpayers will pay the tax assessed, and the amount can be measured reliably, if the assumption with regard to recoverability changes, the impairment is recognised.

Estimates and assumptions

Key assumptions

The estimations in these financial statements are based on the best information available at the time of their preparation. Given the inherent uncertainty of predicting the future, actual events are likely to differ from these assumptions, which may have a material impact on the results reported in these financial statements. Some of the key assumptions are discussed below. The valuation of many assets and liabilities are based on assumptions using market information. The most significant of these are:

Key Assumption	Methodology
Foreign exchange rates	Foreign currency denominated financial assets and liabilities are translated to Tanzania TZS (TZS) at the reporting date.
Share prices	Listed share investments, which consist of approximately 95% of the Government's total share investments, are based on quoted market prices at balance date.
Interest rates	The majority of marketable securities and borrowings are valued using current market yield curves.
Property prices	Where possible property owned by the Government is valued using market evidence. Property prices in relation to land and buildings can therefore impact the value of the Government's assets.

A number of long-term assets and liabilities are valued by estimating future cash flows which are then discounted to present value. Some of the cash flows, in particular those relating to long-term liabilities (Government's obligations) use assumptions to predict cash flows up as far as over 20 years into the future. Therefore, changes in a number of economic assumptions can have a significant impact of the Government's financial position and performance. Other key assumptions concerning the future and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the disclosed amounts of assets and liabilities within the next financial year are liabilities regarding utilities such as telephone, water and electricity.

- Except for those assets which have been revalued, the values given to assets are mere estimates based on the initial price or in line with its assumed wear and tear. Proper valuation is still going on.
- Verification of fixed assets (Property, Plant and Equipment) to complete the fixed assets registers for the migration to accrual.

8. FUTURE CHANGES IN ACCOUNTING POLICIES

Standards issued but not yet effective up to the date of issuance of the entity's financial statements are listed below. These listings of standards issued are those which the Government is reasonably expecting to have an impact on disclosures, financial position or

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

8. FUTURE CHANGES IN ACCOUNTING POLICIES (Continued)

performance when applied at a future date. The Government intends to adopt these standards when they become effective.

- *IPSAS 41 – Financial Instruments*: This standard is effective for annual financial statements covering periods beginning on or after January 1, 2023. The Government has taken a phased approach for the adoption of IPSAS 41 Financial instruments, where commercial public sector entities have adopted the standard for the year ended 30 June 2020.
- *IPSAS 42 – Social Benefits*: This standard is effective for annual financial statements covering periods beginning on or after January 1, 2023.

9. EXCHANGE RATES

All monetary amounts in the financial statements are expressed in Tanzanian TZS, the legal tender shown as TZS. The Tanzanian TZS closing rate (the Bank of Tanzania middle rate) for major currencies was:

Currency	30 June 2020	30 June 2019
United States Dollar (USD)	2,300.90	2,277.71
British Pound	2,925.82	2,979.01
Euro	2,615.89	2,641.23
Swedish Kronor	248.00	253.29
Japanese Yen	21.33	20.68

10. RISKS MANAGEMENT

The Government is subject to a number of financial and operational risks, hazards and strategic risks and is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation. All types of risk associated with the Government activities are managed through the Policy Analysis Department in the Ministry of Finance and Planning through the Risk Management Framework.

a) Interest rate risk

Interest rate risk refers to the risk of loss due to adverse movement in interest rates. In general interest rate risk is managed strategically by issuing a mix of fixed and floating rate debt.

b) Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to adverse movements in foreign exchange rates. A range of instruments is currently being used to minimize the Government's exposure to foreign exchange risk which includes currency.

c) Liquidity risk

Liquidity risk refers to the loss due to the lack of liquidity preventing quick or cost-effective liquidation products, positions or portfolios. Liquidity risk is managed on an individual entity basis, which generally requires entities to hold assets of appropriate quantity and quality to meet all their obligations as they fall due.

d) Credit risk

Credit risk refers to the risk of loss due to the non-performance by counterparties to discharge an obligation. Financial instruments which subject the Government to credit risk include bank balances and receivables, advances and investments. The entities within the Government reporting entity manage their exposure to credit risk by:

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

10. RISKS MANAGEMENT

- Maintaining credit exposure only with highly rated institutions, for which the probability of default is low. The credit worthiness of counterparties is continuously monitored.
- Ensuring diversification of credit exposure by limiting the exposure to one financial institution.
- In some instances, requiring collateral from counterparties.

11. APPROVED BUDGET AND COMPOSITION OF BUDGET AND ACTUAL AMOUNTS

The budget is prepared on cash basis and covers the period from 01 July 2019 to 20 June 2020. The original budget was approved by Legislative in June, 2019. During the year under review there was no supplementary budget.

	Budget and Actual Amount	Segmental Information	
	Actual on Comparable basis	Actual in the cashflow Statement	Reference
	TZS '000'	TZS '000'	
Receipts			
Tax Revenue	17,932,864,352	17,932,651,720	Tax collected by TRA
Non-tax revenue	1,937,679,256	2,555,098,852	Including Contribution from PFC and PNFC
LGAs Own Sources	713,191,538	713,191,538	
Project loans and grants	2,853,677,427	1,119,675,142	Budgetary
General Budget Support	432,400,284		
Basket Loans and Grants	369,513,527		
	3,655,591,238	1,119,675,142	
External Non-Concessional borrowing	2,389,387,672		
Domestic Borrowing/Net Domestic Finance	983,180,659		
Domestic Borrowing/ Roll over	3,976,811,178	9,268,088,641	Budgetary
	7,349,379,508	9,268,088,641	
Total Receipts	31,588,705,893	31,588,705,893	
Payments			
Public Debt			
Interest on Domestic Borrowing	1,487,925,260		
Interest on External Borrowing	839,944,474		
Principal Domestic Loan	3,750,983,971		
Principal External Loan	2,028,302,685	5,779,286,656	Budgetary
	8,107,156,390	5,779,286,656	
Contribution to Social Security Funds	1,038,264,052	2,428,067,615	Budgetary
Other Expenditure under CFS	570,863,902	636,162,635	Budgetary
	1,609,127,954	3,064,230,250	
Employee Benefits			
Wages and Salaries	6,742,484,526	6,742,484,526	Wages and Salaries from BCG
Other Charges			
Operating Protected Expenditure	2,710,647,381	3,528,065,141	Budgetary
LGAs Own Sources	316,608,866	316,608,866	LGA Column
Other Payments	221,907,966	1,599,257,647	Budgetary
	3,249,164,212	5,443,931,654	
Development Expenditure			
Domestic Financing	6,468,218,177	5,418,412,321	Budgetary
LGAs Own Sources	298,509,712	290,992,770	LGA Column
External Financing	1,680,612,616	1,415,935,410	Budgetary
	8,447,340,504	7,125,340,501	
Total Payments	28,155,273,587	28,155,273,587	
Net Receipt/Payments	3,433,432,306	3,433,432,306	

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

12. SEGMENTAL INFORMATION

SEGMENTED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

		1	2	3	4	5	6	7	
	NOTE	Govt . of TZ Budgetary TZS '000	Govt . of TZ ExtraBudgetary TZS '000	Govt . of TZ Social Funds TZS '000	Govt . of TZ Local Govt TZS '000	Govt . of TZ Financial Corp. TZS '000	Govt . of TZ NonFinanc. Corp TZS '000	Govt . of TZ Elimination TZS '000	30 June 2020 TZS '000
ASSETS									
Cash and Cash Equivalent	70	1,414,219,948	2,943,156,709	556,444,297	380,270,869	5,892,847,140	778,110,717	(4,962,145,210)	7,002,904,470
Fixed Deposits/Placements	71	-	4,871,637	382,180,866	5,000	20,853,070	-	(141,459,102)	266,451,471
Holdings of Special Drawing Rights (SDRs)	72	-	-	-	-	20,100,182	-	-	20,100,182
Quota in international Monetary Fund (IMF)	73	-	-	-	-	1,257,328,887	-	-	1,257,328,887
Foreign Currency Marketable Securities	74	-	-	-	-	6,201,955,789	-	-	6,201,955,789
Equity Investments	75	731,634,332	6,925,530	730,512,715	3,929,368	139,997,514	55,686,819	-	1,668,686,278
Government Securities	76	-	10,176,290	4,600,618,969	-	2,046,451,604	2,135,729	(5,429,313,085)	1,230,069,507
Receivables	77	3,188,244,929	5,871,154,101	1,219,903,344	201,410,263	1,118,569,830	1,992,784,180	(3,832,359,699)	9,759,706,948
Loans Receivables	78	583,025,444	4,933,805,236	1,992,370,238	18,112,556	2,160,638,514	6,905,788	-	9,694,857,776
Prepayments	79	424,230,062	524,181,359	32,431,185	14,072,026	1,828,164	1,818,715,791	-	2,815,458,587
Inventories	80	38,324,065	265,097,122	354,659,196	88,038,413	13,334,400	694,346,258	-	1,453,799,454
Deffered Currency Cost	81	-	-	-	-	34,035,017	-	-	34,035,017
Other Financial Assets	82	537,876,146	15,024,255	-	7,894,470	17,231,688	158,377,579	(549,905,021)	186,499,117
Escrow Accounts	83	-	-	-	-	11,253,547	138,527,000	-	149,780,547
Retirement Benefit Asset	84	-	11,315,864	-	-	786,522	-	-	12,102,386
Investments in LGLB: LGAs To LGLB	91	-	-	-	6,605,864	-	-	(6,605,864)	-
Investment Properties	85	11,410,735	636,112,950	1,898,334,235	134,039,463	96,986,134	5,077,085,168	-	7,853,968,685
Property Plant and Equipment	86	5,610,949,068	36,915,782,152	116,465,234	10,467,363,421	1,162,766,428	21,124,853,452	(2,881)	75,398,176,874
Intangible Assets	87	43,506,821	71,281,240	180,145,458	612,297	17,535,102	62,956,573	-	376,037,491
Biological Assets	88	58,194,900	42,116,014	-	51,156,073	-	4,134,761	-	155,601,748
Investments in Associates and Joint Ventures	89	874,561,108	3,792,955	321,932,805	29,779,383	20,297,844	122,875,704	-	1,373,239,799
Investments in Controlled Entities (Subsidiaries)	90	68,986,130,916	8,761,200	467,193,158	43,666	-	6,500,000	(68,575,099,466)	893,529,474
Non Current Assets Held for Sale	92	-	4,230,765	-	271,445	-	2,555,239	-	7,057,449
TOTAL ASSETS		82,502,308,474	52,267,785,379	12,853,191,700	11,403,604,577	20,234,797,376	32,046,550,758	(83,496,890,328)	127,811,347,936
LIABILITIES									
Payables and Accruals	93	6,395,292,040	2,250,344,379	266,342,262	284,246,046	317,833,891	6,781,823,955	(3,832,360,139)	12,463,522,434
Currency in Circulation	94	-	-	-	-	5,225,320,820	-	-	5,225,320,820
Deposits from Banks and Non-Bank Financial Institutions	95	599,246,177	-	-	-	4,740,198,593	-	(5,103,604,312)	235,840,458
Deposit - Others	97	770,800,296	97,832,104	13,564,984	35,216,263	2,621,355,154	17,547,443	-	3,556,316,244
Foreign Currency Financial Liabilities	98	-	-	-	-	1,412,490,402	-	-	1,412,490,402
IMF Related Liabilities	99	-	-	-	-	1,094,754,287	-	-	1,094,754,287
Allocation of Special Drawing Rights (SDRs)	100	-	-	-	-	602,150,585	-	-	602,150,585
Borrowings (Public Dept)	101	56,756,696,221	-	-	-	-	-	(5,429,313,085)	51,327,383,136
Other Borrowings by Government Entities	102	980,555	367,144,018	-	65,863,715	289,102,454	5,774,857,554	-	6,497,948,296
BoT Liquidity Papers	103	-	-	-	-	118,788,633	-	-	118,788,633
Other Financial Liabilities	104	-	71,762,820	-	1,558,706	289,564,077	269,283,781	-	632,169,384
Pension Fund Actuarial Liabilities	105	-	-	19,095,594,000	-	-	-	-	19,095,594,000
Employee Benefits Liabilities	106	-	6,296,512	151,754,829	151,920,996	9,249,265	111,684,968	-	430,906,570
Retirement Benefits Obligations	107	-	41,020,701	430,264,294	-	-	17,066,881	-	488,351,876
Provisions	108	548,802,684	34,233,850	7,029,929	4,511,061	176,194,359	198,212,566	-	968,984,449
Deferred Income (Recurrent)	109	(649,528,501)	447,254,385	-	108,199,854	34,710,387	59,363,875	-	-
Deferred Income (Development)	110	(10,742,733,461)	1,491,397,574	-	183,420,034	449,666	9,067,466,187	-	-
TOTAL LIABILITIES		53,679,556,011	4,807,286,343	19,964,550,298	834,936,675	16,932,162,573	22,297,307,210	(14,365,277,536)	104,150,521,574
NET ASSETS		28,822,752,463	47,460,499,036	(7,111,358,598)	10,568,667,902	3,302,634,803	9,749,243,548	(69,131,612,792)	23,660,826,362
NET ASSETS									
Taxpayer Fund		8,022,686,306	29,659,819,328	-	1,353,485,850	501,222,651	3,787,705,920	(556,510,885)	42,768,409,170
Foreign Currency Revaluation Reserves		-	-	-	30,085,112	8,832,005	-	-	38,917,117
Fair Value Reserves		-	-	-	-	359,169,545	2,327,165,866	-	2,686,335,411
Defined Benefit (Actuarial) Reserves		-	-	2,028,630	-	(11,348,162)	27,729,469	-	18,409,937
Revaluation Surplus		-	153,134,746	-	2,756,093	-	317,918,765	-	473,809,604
Other Reserves		-	4,335,434,121	32,045,567	121,000,258	2,380,253,173	1,334,765,811	-	8,203,498,930
Minority Interest		-	-	-	-	-	165,209	-	165,209
Accumulated surpluses/(deficits)		20,800,061,826	13,312,110,841	(7,145,432,795)	1,077,982,436	64,505,591	1,953,792,508	(68,575,097,576)	(30,528,719,016)
TOTAL NET ASSETS		28,822,748,132	47,460,499,036	(7,111,358,598)	10,568,667,902	3,302,634,803	9,749,243,548	(69,131,608,461)	23,660,826,362

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

12. SEGMENTAL INFORMATION (Continued)

SEGMENTED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

		1	2	3	4	5	6	7	
	NOTE	Govt . of TZ Budgetary	Govt . of TZ Extra Budgetary	Govt . of TZ Social Funds	Govt . of TZ Local Govt	Govt . of TZ Financial Corp.	Govt . of TZ NonFinanc. Corp	Govt . of TZ Elimination	30 June 2019
		TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
ASSETS									
Cash and Cash Equivalent	70	1,373,867,243	2,224,338,949	406,290,400	499,007,759	4,986,764,736	820,921,126	(4,398,925,147)	5,912,265,066
Fixed Deposits/Placements	71	-	5,990,580	389,449,192	5,000	11,917,043	-	(270,159,924)	137,201,891
Holdings of Special Drawing Rights (SDRs)	72	-	-	-	-	67,392,346	-	-	67,392,346
Quota in international Monetary Fund (IMF)	73	-	-	-	-	1,266,185,402	-	-	1,266,185,402
Foreign Currency Marketable Securities	74	-	-	-	-	5,065,705,728	-	-	5,065,705,728
Equity Investments	75	731,634,332	6,919,758	658,492,697	2,220,975	140,336,639	46,758,647	-	1,586,363,048
Government Securities	76	-	6,608,965	4,487,851,795	-	1,947,439,654	2,328,229	(5,186,578,493)	1,257,650,150
Receivables	77	4,214,866,243	3,648,021,375	1,414,744,123	215,712,333	1,911,433,918	2,611,555,938	(4,032,268,608)	9,984,065,322
Loans Receivables	78	583,025,444	4,636,206,945	1,746,511,276	11,021,712	1,660,470,454	7,676,639	-	8,644,912,470
Prepayments	79	802,307,515	272,024,892	16,201,760	27,072,199	3,926,701	1,429,962,316	-	2,551,495,383
Inventories	80	56,233,966	857,144,794	352,656,579	96,162,975	14,661,376	502,119,616	-	1,878,979,306
Deffered Currency Cost	81	-	-	-	-	41,375,635	-	-	41,375,635
Other Financial Assets	82	537,876,146	15,933,323	-	7,204,600	15,746,164	35,315,375	(7,066,403)	605,009,205
Escrow Accounts	83	-	-	-	-	11,218,286	138,105,000	-	149,323,286
Retirement Benefit Asset	84	-	8,613,894	-	-	8,227,657	-	-	16,841,551
Investments in LGLB: LGAs To LGLB	91	-	-	-	6,586,395	-	-	(6,586,395)	-
Investment Properties	85	12,448,000	637,005,099	1,854,015,760	132,455,847	85,038,182	4,638,030,174	-	7,358,993,062
Property Plant and Equipment	86	5,276,617,607	33,375,152,423	135,829,073	10,716,443,582	1,162,120,864	18,692,081,675	-	69,358,245,224
Intangible Assets	87	55,114,066	77,931,316	181,586,761	680,448	8,567,063	18,936,017	-	342,815,671
Biological Assets	88	56,798,244	19,494,179	-	51,627,971	-	3,889,049	-	131,809,443
Investments in Associates and Joint Ventures	89	794,667,523	707,340	290,119,443	24,066,011	20,297,844	119,299,871	-	1,249,158,032
Investments in Controlled Entities (Subsidiaries)	90	68,575,099,466	8,761,200	389,517,451	43,666	-	6,500,000	(68,575,099,466)	404,822,317
Non Current Assets Held for Sale	92	-	4,440,368	-	753,426	-	2,539,466	-	7,733,260
TOTAL ASSETS		83,070,555,795	45,805,295,400	12,323,266,310	11,791,064,899	18,428,825,692	29,076,019,138	(82,476,684,436)	118,018,342,798
LIABILITIES									
Payables and Accruals	93	3,622,715,675	2,313,003,888	488,629,269	276,349,414	194,656,470	6,508,561,698	(4,032,268,608)	13,371,647,806
Currency in Circulation	94	-	-	-	-	4,965,202,559	-	-	4,965,202,559
Deposits from Banks and Non-Bank Financial Institutions	95	561,284,679	-	-	319,057	4,136,699,023	-	(4,669,085,071)	29,217,688
Deposit - Others	97	758,722,085	64,752,044	13,102,451	49,889,270	2,148,331,082	17,639,901	-	3,052,436,833
Foreign Currency Financial Liabilities	98	-	-	-	-	919,256,948	-	-	919,256,948
IMF Related Liabilities	99	-	-	-	-	1,206,939,205	-	-	1,206,939,205
Allocation of Special Drawing Rights (SDRs)	100	-	-	-	-	606,392,081	-	-	606,392,081
Borrowings (Public Dept)	101	53,104,885,048	-	-	-	-	-	(5,186,578,493)	47,918,306,555
Other Borrowings by Government Entities	102	390,777	360,050,457	-	69,470,562	253,258,585	5,600,288,554	-	6,283,458,935
BoT Liquidity Papers	103	-	-	-	-	330,753,832	-	-	330,753,832
Other Financial Liabilities	104	-	106,250,119	-	1,614,463	286,896,518	104,481,932	-	499,243,032
Pension Fund Actuarial Liabilities	105	-	-	19,095,594,000	-	-	-	-	19,095,594,000
Employee Benefits Liabilities	106	438,124	13,712,332	138,276,010	134,588,876	8,593,385	137,818,413	-	433,427,140
Retirement Benefits Obligations	107	-	31,961,760	603,359,924	-	-	11,932,655	-	647,254,339
Provisions	108	593,216,264	38,985,754	2,614,521	11,265,185	167,027,952	197,161,472	-	1,010,271,148
Deferred Income (Recurrent)	109	(608,648,304)	370,724,998	-	148,081,637	33,441,224	56,400,445	-	-
Deferred Income (Development)	110	(8,792,688,488)	813,166,421	-	246,847,644	520,619	7,732,153,804	-	-
TOTAL LIABILITIES		49,240,315,860	4,112,607,773	20,341,576,175	938,426,108	15,257,969,483	20,366,438,874	(13,887,932,172)	100,369,402,101
NET ASSETS		29,830,239,935	41,692,687,627	(8,018,309,865)	10,852,638,791	3,170,856,209	8,709,580,264	(68,588,752,264)	17,648,940,697
NET ASSETS									
Taxpayer Fund		8,019,135,813	29,112,299,293	-	1,353,394,056	501,222,651	3,593,997,191	(13,652,787)	42,566,396,217
Foreign Currency Revaluation Reserves		-	-	-	30,085,112	3,077,265	-	-	33,162,377
Fair Value Reserves		-	-	-	-	296,436,741	2,327,165,866	-	2,623,602,607
Defined Benefit (Actuarial) Reserves		-	-	2,028,630	-	(11,348,162)	27,729,469	-	18,409,937
Revaluation Surplus		-	174,277,884	-	-	-	294,799,096	-	469,076,980
Other Reserves		-	3,980,106,816	31,884,062	116,065,827	2,241,108,881	1,305,581,148	-	7,674,746,734
Minority Interest		-	-	-	-	-	61,729	-	61,729
Accumulated surpluses/(deficits)		21,811,104,111	8,426,003,634	(8,052,222,557)	557,362,390	140,358,833	1,160,245,765	(68,575,099,466)	(35,736,515,884)
TOTAL NET ASSETS		29,830,239,924	41,692,687,627	(8,018,309,865)	10,852,638,791	3,170,856,209	8,709,580,264	(68,588,752,253)	17,648,940,697

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

12. SEGMENTAL INFORMATION (Continued)

SEGMENTED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

(Classification of Expense by Nature)

		1	2	3	4	5	6	7	
	NOTE	Govt . of TZ Budgetary	Govt . of TZ Extra Budgetary	Govt . of TZ Social Funds	Govt . of TZ Local Govt	Govt . of TZ Financial Corp.	Govt . of TZ Non Financ. Corp	Govt . of TZ Elimination	30 June 2020
		TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
REVENUE									
Taxes Revenue	15	37,692,718,579	19,968,845,854	-	-	-	-	(38,146,514,677)	19,515,049,756
Revenue From Exchange Transactions	16	2,594,452,273	1,263,194,685	9,575,935	66,316,561	33,109,032	2,461,223,137	(2,240,936,126)	4,186,935,497
Social Contributions	17	1,215,266,382	-	3,030,318,578	37,541	-	-	(1,286,282,020)	2,959,340,481
External Assistance - Grants and Aid	18	1,119,675,140	-	-	-	-	-	-	1,119,675,142
Finance Income	19	-	547,130	26,385,989	801,304	3,408,429	637,277	-	31,780,129
Levies	20	-	169,606,824	-	411,207,740	194,032	6,937,077	-	587,945,673
Fees, Fines, Penalties and Forfeits	21	1,083,799,179	1,589,043,330	-	260,062,433	76,702,790	59,298,412	-	3,068,906,144
Other Revenue	22	40,408,326	119,143,906	783,836,736	128,344,134	778,450,454	1,836,136,696	(110,905,201)	3,575,415,051
LGA Own Source Revenue	23	1,033,109,935	-	-	-	-	-	(1,033,109,935)	-
Debt Forgiveness	24	19,486,135	-	-	-	-	-	-	19,486,135
15% of Revenue (Dividend) Transfer from/(to) The Government Entities	25	440,047,785	552	-	-	-	800,000	(440,848,337)	-
Fair Value Gains on Equity Investments	26	(1,541,728)	11,230,726	21,539,053	1,726	579,873	41,450	-	31,851,100
Fair Value Gains on Government Securities	27	(124,234)	-	124,234	-	-	-	-	-
Fair Value Gains on Investment Properties	28	(60,175,962)	-	-	1,562,647	454	417,511,321	-	358,898,460
Fair Value Gains on Biological Assets	29	327,513	7,164,036	-	98,494	-	-	-	7,590,043
Fair Value Gains on Actuarial Valuation of Defined Benefit Plans	30	(36,307,498)	-	-	-	-	49,306,978	-	12,999,480
Fair Value Gains on Financial Assets	31	(1,384,571)	21,687	131,591,585	-	23,674,912	-	-	153,903,613
Fair Value Gains on Marketable Securities	32	-	-	-	-	125,476,503	-	-	125,476,503
Gains on Foreign Currency Translation	33	35,671,157	137,511,941	4,898,872	-	2,827,516	19,414,395	-	200,323,881
Gains on Disposal of Assets	34	(134,624)	46,335	-	-	88,289	-	-	-
Exchequer Revenue	35	22,186,858,906	143,733,755	-	-	-	899,835	(22,331,492,496)	-
Subvention From Other Government Entities	36	(1,020,808,045)	7,061,898,374	-	4,984,687,674	3,459,460	416,535,603	(11,445,773,066)	-
TOTAL REVENUE		67,461,019,790	30,471,989,135	4,008,270,982	5,774,961,320	1,047,971,744	5,268,742,181	(78,077,378,064)	35,955,577,088
EXPENSES									
Wages, Salaries and Employee Benefits	39	4,554,140,312	1,766,816,120	172,333,491	3,923,840,936	205,750,059	876,903,980	(1,287,425,370)	10,212,359,528
Supplies and Consumables Used	40	1,177,572,212	1,652,681,051	22,309,867	620,425,999	90,140,057	1,541,096,333	(294,800,566)	4,809,424,953
Routine Repair and Maintenance Expenses	41	76,109,019	770,831,860	7,209,591	145,801,685	3,909,087	259,753,104	-	1,263,614,346
Social Benefits	42	588,404,667	11,750,089	2,521,634,139	15,940,813	-	501,106	(87,620,999)	3,050,609,815
Finance Costs	43	2,354,298,892	24,822,354	77,240	1,970,266	49,406,853	235,332,878	-	2,665,908,483
Other Expenses	44	(318,255,666)	1,007,836,403	87,906,114	109,774,133	179,314,845	524,521,023	(13,150,664)	1,577,946,188
Provision for Obsolete Inventories	45	-	182,968	-	310,817	-	6,304,313	-	6,798,098
Subvention to Other Government Entities	46	35,108,713,510	19,249,291,362	-	131,105,176	4,049,937	139,698,578	(54,632,858,563)	-
Grants, Transfers and Subsidies Issued	47	527,504,160	2,194,903	-	21,095,077	-	-	-	550,794,140
Depreciation of Property, Plant and Equipment	48	176,212,720	1,770,704,544	21,076,394	277,834,426	32,227,961	725,746,349	-	3,003,802,394
Depreciation of Investment Properties	49	-	4,213,604	-	2,103,691	92,048	5,217,136	-	11,626,479
Amortization of Intangible Assets	50	10,977,765	22,445,128	7,295,303	76,083	2,831,092	12,606,783	-	56,232,154
Impairment of Property, Plant and Equipment	51	259,873	10,361,701	-	344,973	85,869	610,130	-	11,662,546
Impairment of Intangible Asset	52	-	35,257	-	-	-	17,695	-	52,952
Impairment of Investment Property	53	-	-	-	74,588	-	2,146,092	-	2,220,680
Impairment of Receivables	54	-	178,059,445	162,655,278	2,245,753	1,771,340	23,142,581	-	367,874,397
Impairment of Loans	55	-	7,026,978	1,963,248	-	38,195,516	-	-	47,185,742
Fair Value Losses on Equity Investments	57	(400,576)	-	-	400,576	-	-	-	-
Fair Value Losses on Government Securities	58	(124,234)	-	-	-	28,723,409	-	-	28,599,175
Fair Value Losses on Investment Property	59	(60,175,962)	-	60,175,962	-	-	-	-	-
Fair Value Losses on Actuarial Valuation of Defined Benefit Plans	61	(36,307,498)	25,954	141,011	24,210	4,541,485	31,574,838	-	-
Fair Value Losses on Financial Assets	62	(1,384,571)	-	-	97,269	-	1,287,302	-	-
Losses of Foreign Currency Translation	64	(45,078,820)	5,854,926	-	-	28,867,745	10,356,149	-	-
Losses on Disposal of Assets	65	104,427	328,154	-	470,666	22,949	17,168	-	943,364
Tax Expenses	66	-	970,330	157,384,576	-	17,180,670	268,091,763	(443,627,339)	-
Revenue Transfer To PMG/Consolidated Fund	68	21,235,163,769	75,863,574	-	404,137	2,375,140	4,089,833	(21,317,896,453)	-
TOTAL EXPENSES		65,347,733,999	26,562,296,705	3,222,162,214	5,254,339,384	689,486,062	4,669,015,134	(78,077,378,064)	27,667,655,434
Share of Surplus of Associates and Joint Ventures		40,589,353	(2,738,114)	50,125,549	-	-	13,130,000	-	101,106,788
SURPLUS FOR THE PERIOD		153,875,144	5,906,954,316	836,234,317	-	358,485,682	612,857,047	-	8,389,028,442

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

12. SEGMENTAL INFORMATION (Continued)

SEGMENTED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019									
<i>(Classification of Expense by Nature)</i>									
		1	2	3	4	5	6	7	
	NOTE	Govt . of TZ Budgetary TZS '000	Govt . of TZ ExtraBudgetary TZS '000	Govt . of TZ Social Funds TZS '000	Govt . of TZ Local Govt TZS '000	Govt . of TZ Financial Corp. TZS '000	Govt . of TZ NonFinanc. Corp TZS '000	Govt . of TZ Elimination TZS '000	30 June 2019 TZS '000
REVENUE									
Taxes Revenue	15	33,114,521,922	17,276,980,138	64,542,094	2,297,313	-	-	(33,578,732,894)	16,879,608,573
Revenue From Exchange Transactions	16	540,683,488	1,047,032,586	8,524,991	81,981,840	31,966,259	2,347,438,899	(433,128,206)	3,624,499,857
Social Contributions	17	-	-	2,791,934,222	-	-	-	(18,743,363)	2,773,190,859
External Assistance - Grants and Aid	18	1,286,812,554	-	-	-	-	-	(643,406,277)	643,406,277
Finance Income	19	-	40,808	21,657,754	358,536	1,897,696	1,104,069	-	25,058,863
Levies	20	-	160,911,005	-	272,562,821	2,653,620	9,303,224	-	445,430,670
Fees, Fines, Penalties and Forfeits	21	554,478,385	1,481,243,871	-	238,946,102	58,399,526	988,145,063	-	3,321,212,947
Other Revenue	22	1,230,688,190	1,086,587,778	719,365,420	146,545,121	755,309,267	908,400,806	(715,448,868)	4,131,447,714
LGA Own Source Revenue	23	105,720,660	-	-	-	-	-	(105,720,660)	-
15% of Revenue (Dividend)	25	232,806,861	696	-	-	-	412,713	(233,220,270)	-
Transfer from/(to) The Government Entities									
Fair Value Gains on Equity Investments	26	(38,446,595)	16,691	-	37,500	3,868,954	34,523,450	-	-
Fair Value Gains on Investment Properties	28	(167,634,198)	-	159,785,376	2,238,000	-	5,610,822	-	-
Fair Value Gains on Biological Assets	29	403,286	3,565,349	-	220,287	-	-	-	4,188,922
Fair Value Gains on Actuarial Valuation of Defined Benefit Plans	30	(1,570,371)	-	470,891	-	9,581,148	39,665,659	-	48,147,327
Fair Value Gains on Financial Assets	31	(7,611,374)	432,300	75,582,805	-	67,252,789	1,302,756	-	136,959,276
Fair Value Gains on Marketable Securities	32	(46,887,747)	-	-	-	46,887,747	-	-	-
Gains on Foreign Currency Translation	33	(22,368,709)	6,854,390	3,649,486	-	10,442,113	1,422,720	-	-
Gains on Disposal of Assets	34	(726,175)	387,347	9,451	21,590	199,585	108,202	-	-
Exchequer Revenue	35	21,339,924,280	108,290,437	-	-	-	628,204	(21,448,842,921)	-
Subvention From Other Government Entities	36	2,618,968	5,833,261,560	-	5,052,318,302	2,634,113	438,421,136	(11,329,254,079)	-
TOTAL REVENUE		58,123,413,425	27,005,604,956	3,835,522,490	5,797,527,412	991,092,817	4,776,487,723	(68,506,497,538)	32,033,151,285
EXPENSES									
Wages, Salaries and Employee Benefits	39	4,420,884,042	1,560,569,959	172,139,465	3,768,028,146	214,494,535	880,861,341	(18,886,836)	10,998,090,652
Supplies and Consumables Used	40	1,360,336,387	1,595,451,883	19,806,824	597,588,628	128,249,169	1,640,610,414	(848,337,338)	4,493,705,967
Routine Repair and Maintenance Expenses	41	72,452,824	624,318,840	10,529,235	162,798,348	5,730,619	156,863,175	-	1,032,693,041
Social Benefits	42	661,228,976	14,260,993	2,360,584,240	26,446,220	-	499,109	(20,052,472)	3,042,967,066
Finance Costs	43	2,134,366,584	26,256,390	-	1,713,413	52,722,976	244,551,607	-	2,459,610,970
Other Expenses	44	147,734,452	547,062,908	123,069,626	81,381,346	144,973,606	468,611,301	(2,739,043)	1,510,094,196
Provision for Obsolete Inventories	45	-	839,320	3,313,178	85,861	-	6,351	-	4,244,710
Subvention to Other Government Entities	46	32,446,074,395	17,343,777,912	-	243,815,558	-	139,467,625	(50,173,135,490)	-
Grants, Transfers and Subsidies Issued	47	327,405,770	961,554	-	32,457,996	-	-	-	360,825,320
Depreciation of Property, Plant and Equipment	48	184,372,865	1,688,760,201	13,510,082	320,571,896	30,672,765	674,476,892	-	2,912,364,701
Depreciation of Investment Properties	49	-	2,072,923	-	2,085,565	90,804	6,045,895	-	10,295,187
Amortization of Intangible Assets	50	10,749,609	15,684,145	6,675,434	187,103	2,374,222	3,129,690	-	38,800,203
Impairment of Property, Plant and Equipment	51	721,063	38,107	2,274,416	378,660	207,932	7,416,753	-	11,036,931
Impairment of Intangible Asset	52	461,132	97,469	-	8,803	-	-	-	567,404
Impairment of Investment Property	53	-	-	-	79,560	-	2,144,602	-	2,224,162
Impairment of Receivables	54	-	581,819,316	210,672,042	153,917	1,798,177	13,253,652	-	807,697,104
Impairment of Loans	55	-	17,048,601	9,411,222	-	39,691,924	-	-	66,151,747
Fair Value Losses on Equity Investments	57	(38,446,595)	35,700	139,069,654	96,299	-	-	-	100,755,058
Fair Value Losses on Government Securities	58	-	-	28,801,184	-	58,515,371	-	-	87,316,555
Fair Value Losses on Investment Property	59	(167,634,198)	2,933,998	126,830,274	-	1,717,100	47,014,722	-	10,861,896
Fair Value Losses on Actuarial Valuation of Defined Benefit Plans	61	(1,570,371)	6,419	-	11	-	1,563,941	-	-
Fair Value Losses on Financial Assets	62	(7,611,374)	93,187	-	4,200	-	7,513,987	-	-
Fair Value Losses on Marketable Securities	63	(46,887,747)	-	-	-	58,515,371	-	-	11,627,624
Losses of Foreign Currency Translation	64	24,568,132	2,182,628	-	-	-	8,069,862	-	34,820,622
Losses on Disposal of Assets	65	(13,155)	2,363,967	-	1,341,397	8,840	86,929	-	3,787,978
Tax Expenses	66	-	11,411,941	235,065,760	-	9,216,586	188,320,740	(444,015,027)	-
Revenue Transfer To PMG/Consolidated Fund	68	16,920,538,430	71,265,300	-	942,095	2,098,336	4,487,171	(16,999,331,332)	-
TOTAL EXPENSES		57,449,731,221	24,109,313,661	3,461,752,636	5,240,165,022	751,078,333	4,494,995,759	(68,506,497,538)	28,000,539,094
Share of Surplus of Associates and Joint Ventures		48,025,787	-	(11,593,334)	-	364,644	17,378,288	-	54,175,385
SURPLUS FOR THE PERIOD		217,176,895	2,400,822,391	372,176,520	-	240,379,128	298,870,252	-	4,086,787,576

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

12. SEGMENTAL INFORMATION (Continued)

SEGMENTED CASH FLOWS STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	1	2	3	4	5	6	7	
	Govt . of TZ Budgetary	Govt . of TZ Extra Budgetary	Govt . of TZ Social Funds	Govt . of TZ Local Govt	Govt . of TZ Financial Corp.	Govt . of TZ Non Financ. Corp	Govt . of TZ Elimination	30 June 2020
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
CASH FLOW FROM OPERATING ACTIVITIES								
RECEIPTS								
Taxes Revenue	-	17,932,651,720	-	-	-	-	(453,796,098)	17,478,855,622
Finance Income	-	15,908,992	26,955,905	800,494	3,408,429	637,277	(28,326)	47,682,771
Levies	-	160,068,862	-	321,773,561	3,092,195	-	(10,916,678)	474,017,940
Fees, fines, penalties and Forfeits	1,016,094,047	1,598,172,666	15,345,164	244,819,588	899,877,763	-	(169,968,335)	3,604,340,893
Grants, transfers and subsidies received	-	12,162,577	-	7,357,548	-	-	(128,519)	19,391,606
Revenue from Exchange Transactions	890,904,413	326,825,705	9,575,935	73,622,309	33,109,032	1,651,521,787	(1,254,220,919)	1,731,338,262
External Assistance- Grants and Aid	1,119,675,142	-	-	-	-	-	-	1,119,675,142
Social Contributions	-	-	2,339,594,779	-	-	-	(72,190,536)	2,267,404,243
Other revenue	-	-	1,417,386,819	183,005,802	1,325,979,207	831,486,688	(123,709,523)	3,634,148,993
Increase in deposits	-	50,120,586	462,533	30,066,452	1,633,643,588	17,486,579	-	1,731,779,738
Total Receipts	3,026,673,602	20,095,911,108	3,809,321,135	861,445,754	3,899,110,214	2,501,132,331	(2,084,958,934)	32,108,635,210
PAYMENTS								
Grants, transfers and subsidies to	527,504,160	20,113,011	-	19,737,639	-	3,617,863	-	570,972,673
Wages,Salaries and Employee Benefits	6,742,484,526	1,617,686,602	130,645,128	3,855,740,210	233,441,248	1,561,966,935	(1,290,786,722)	12,851,177,927
Social Benefits	2,428,067,615	15,808,139	159,844,032	13,724,304	60,220	1,691,174	(87,620,999)	2,531,574,485
Supplies and consumables paid	3,108,119,489	1,446,820,221	69,106,582	601,002,544	198,876,848	767,989,725	(320,889,681)	5,871,025,728
Routine repair and maintenance paid	1,599,257,647	290,992,770	7,209,591	126,074,378	51,388,665	39,191,069	(10,873,776)	2,103,240,344
Finance cost	2,364,398,346	17,943,769	77,240	2,196,187	49,360,762	222,957,402	(1,739,048)	2,655,194,658
Other Expenses	708,340,848	316,608,866	202,022,441	185,821,155	4,734,755	95,697,670	(13,150,664)	1,500,075,071
(decrease) in deposits	636,162,635	862,382	-	9,251,594	-	493,156	-	646,769,767
Total Payments	18,114,335,266	3,726,835,760	568,905,014	4,813,548,011	537,862,498	2,693,604,994	(1,725,060,890)	28,730,030,653
Net CashFlow from Operating Activities	(15,087,661,664)	17,369,075,348	3,240,416,121	(3,952,102,257)	3,361,247,716	(192,472,663)	(359,898,044)	3,378,604,557
CASH FLOW FROM INVESTING ACTIVITIES								
Increase/decrease in holdings of SDRs	-	-	-	-	47,292,164	-	-	47,292,164
Increase/decrease in quota in International Monetary Fund (IMF)	-	-	-	-	8,856,515	-	-	8,856,515
Increase/decrease in foreign currency marketable securities	-	-	-	-	(1,136,250,061)	-	-	(1,136,250,061)
Acquisition of equity investments	-	(9,272)	(37,862,681)	(400,000)	(1,026,315)	(6,872,360)	-	(46,170,628)
Net decrease/(increase) in Government securities	-	(499,026)	(26,964,637)	-	(79,372,840)	-	-	(106,836,503)
Loan Issued	-	(172,660,822)	292,120,330	3,753,449	886,375,141	6,498,468	-	1,016,086,566
Acquisition of investment properties	-	(168,736)	(66,366,753)	(3,682)	-	(7,516,972)	-	(74,056,143)
Acquisition of property, plant, and equipment	(5,417,887,272)	(1,223,918,454)	(7,592,599)	(75,434,702)	(29,499,759)	(2,873,132)	-	(6,757,205,918)
Acquisition of intangibles	(1,297,301)	(15,468,184)	(3,372,107)	(73,788)	(2,654,533)	(55,995,240)	-	(78,861,153)
Acquisition of biological assets	772,252	26,699	-	(1,205)	-	9,673	-	807,419
Acquisition of shares in associate or joint venture	-	(3,237,615)	(26,884,979)	-	-	(572,864)	-	(30,695,458)
Acquisition of shares in subsidiary	-	-	(56,085,321)	-	-	-	-	(56,085,321)
Total Investing Activities	(5,418,412,321)	(1,415,935,410)	66,991,253	(72,159,928)	(306,279,688)	(67,322,427)	-	(7,213,118,521)
CASH FLOW FROM FINANCING ACTIVITIES								
Increase/(decrease) in Currency in circulation	-	-	-	-	260,118,261	-	-	260,118,261
Increase/(decrease) in foreign currency financial liabilities	-	-	-	-	493,233,454	-	-	493,233,454
Increase/(decrease) in IMF related liabilities	-	-	-	-	(112,184,918)	-	-	(112,184,918)
Increase/(decrease) in allocation of Special Drawing Rights (SDRs)	-	-	-	-	(4,241,496)	-	-	(4,241,496)
Cash proceeds from borrowings	9,268,088,641	-	-	-	1,801,164,518	504,627,047	(1,032,724,430)	10,541,155,776
Increase/(decrease) in BOT liquidity papers	-	-	-	-	(211,965,199)	-	-	(211,965,199)
Repayment of Borrowings	(5,779,286,656)	-	-	-	(74,495,517)	-	-	(5,853,782,173)
Total Financing Activities	3,488,801,985	-	-	-	2,151,629,103	504,627,047	(1,032,724,430)	5,112,333,705
Net Increase / Decrease in Cash and Cash Equivalent	(17,017,272,000)	14,953,139,938	3,307,407,374	(4,024,262,185)	5,206,597,131	244,831,957	(1,392,622,474)	1,277,819,741
Cash at the beginning of the year	(2,989,375,261)	2,696,235,765	3,007,990,016	497,667,891	3,229,957,573	3,864,431,856	(4,394,642,774)	5,912,265,066
Effect of foreign currency changes	-	127,015	-	-	-	-	-	127,015
Cash to be surrendered	185,795,563	768,428	-	743,361	-	-	-	187,307,352
Cash at the end of period	(20,192,442,824)	17,648,734,290	6,315,397,390	(3,527,337,655)	8,436,554,704	4,109,263,813	(5,787,265,248)	7,002,904,470

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

12. SEGMENTAL INFORMATION (Continued)

SEGMENTED OF CASH FLOWS STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	1	2	3	4	5	6	7	
	Govt . of TZ Budgetary	Govt . of TZ ExtraBudgetary	Govt . of TZ Social Funds	Govt . of TZ Local Govt	Govt . of TZ Financial Corp.	Govt . of TZ Non Financ. Corp	Govt . of TZ Elimination	30 June 2019
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
CASH FLOW FROM OPERATING ACTIVITIES								
RECEIPTS								
Taxes Revenue	16,034,691,793	-	-	-	-	-	(421,172,467)	15,613,519,326
Finance Income	-	15,347,230	20,799,217	448,536	4,302,322	1,104,069	-	42,001,374
Levies	-	130,562,492	-	291,197,203	1,728,128	9,738,445	-	433,226,268
Fees, fines, penalties and Forfeits	570,206,098	1,402,285,176	15,345,164	339,374,941	17,527,909	750,847,252	-	3,095,586,540
Grants, transfers and subsidies received	-	7,417,331	-	5,704,992	-	1,950,632	-	15,072,955
Revenue from Exchange Transactions	3,063,191,023	1,157,844,890	8,524,991	82,333,077	31,966,259	2,300,120,669	(433,128,206)	6,210,852,703
External Assistance- Grants and Aid	643,406,277	-	-	-	-	-	-	643,406,277
Social Contributions	-	-	2,014,710,373	-	-	-	-	2,014,710,373
Other revenue	2,164,891,616	1,344,591,311	419,190,232	89,232,281	272,500,674	502,992,301	(831,034,724)	3,962,363,691
Increase in deposits	414,191,034	29,071,558	854,626	34,074,277	14,418,737	1,033,881	-	493,644,113
Total Receipts	22,890,577,841	4,087,119,988	2,479,424,603	842,365,307	342,444,029	3,567,787,249	(1,685,335,397)	32,524,383,620
PAYMENTS								
Grants, transfers and subsidies to	327,405,770	705,590	-	30,451,352	-	14,654,053	-	373,216,765
Wages,Salaries and Employee Benefits	5,116,838,315	2,178,721,141	233,191,091	3,561,367,569	195,764,648	570,467,387	-	11,856,350,151
Social Benefits	599,477,502	7,965,515	2,210,435,294	78,803,578	660,220	126,338,775	(82,718,018)	2,940,899,866
Supplies and consumables paid	4,484,679,691	2,285,612,092	3,669,213,468	632,107,460	147,215,631	2,400,481,176	(498,791,370)	13,120,518,148
Routine repair and maintenance paid	482,156,232	467,259,239	10,529,235	149,711,826	5,730,619	326,426,730	(183,279,659)	1,258,534,222
Finance cost	2,122,137,615	14,685,010	-	265,794	52,516,755	(423,249,445)	-	2,513,854,619
Other Expenses	2,373,881,122	2561,137,197	165,240,520	54,290,659	516,454,125	196,148,739	(2,739,043)	1,490,532,197
(decrease) in deposits	1,076,899,030	870,533	-	2,799,203	173,629	1,441,487	-	1,082,183,882
Total Payments	14,209,594,155	5,516,956,317	6,288,609,608	4,509,797,441	918,515,627	3,960,207,792	(767,591,090)	34,636,089,850
Net CashFlow from Operating Activities	8,680,983,686	(1,429,836,329)	(3,809,185,005)	(3,667,432,134)	(576,071,598)	(392,420,543)	(917,744,307)	(2,111,706,230)
CASH FLOW FROM INVESTING ACTIVITIES								
Increase/decrease in holdings of SDRs	-	-	-	-	(64,160,186)	-	-	(64,160,186)
Increase/decrease in quota in International Monetary Fund (IMF)	-	-	-	-	2,107,283	-	-	2,107,283
Increase/decrease in foreign currency marketable securities	-	-	-	-	1,446,709,687	-	-	1,446,709,687
Acquisition of equity investments	-	-	(530,000)	-	(1,897,242)	-	-	(2,427,242)
Net decrease/(increase) in Government securities	-	427,990	112,426,735	-	6,034,682	-	-	118,889,407
Loan Issued	-	4,179,964	100,807,130	2,719,967	340,733,114	7,369,877	-	455,810,052
Acquisition of investment properties	-	(7,256,802)	(56,514,198)	(355,243)	-	(7,054,617)	-	(71,180,860)
Acquisition of property, plant, and equipment	(716,483,993)	(1,933,914,216)	(7,160,833)	(798,577,307)	(25,160,163)	(4,050,327,039)	-	(7,531,623,551)
Acquisition of intangibles	(1,546,929)	(8,719,341)	(7,007,807)	(202,746)	(1,233,831)	(569,657)	-	(19,280,311)
Acquisition of biological assets	1,529,978	2,990	-	(158,040)	-	140,636	-	1,515,564
Acquisition of shares in associate or joint venture	-	(148,532)	(40,676,077)	(532,004)	-	-	-	(41,356,613)
Acquisition of shares in subsidiary	-	(990,589)	-	-	-	-	-	(990,589)
Total Investing Activities	(716,500,944)	(1,946,418,536)	101,344,950	(797,105,373)	(6,080,806,916)	(4,050,440,800)	-	(5,705,987,359)
CASH FLOW FROM FINANCING ACTIVITIES								
Increase/(decrease) in Currency in circulation	-	-	-	-	318,239,662	-	-	318,239,662
Increase/(decrease) in foreign currency financial liabilities	-	-	-	-	(260,883,364)	-	-	(260,883,364)
Increase/(decrease) in IMF related liabilities	-	-	-	-	(194,375,261)	-	-	(194,375,261)
Increase/(decrease) in allocation of Special Drawing Rights (SDRs)	-	-	-	-	(1,009,208)	-	-	(1,009,208)
Cash proceeds from borrowings	7,085,175,690	-	-	-	-	294,515,733	-	7,379,691,423
Increase/(decrease) in BOT liquidity papers	-	-	-	-	(249,944,804)	-	-	(249,944,804)
Repayment of borrowings	(5,242,535,691)	-	-	-	-	-	277,483,149	(4,965,052,542)
Total Financing Activities	1,842,639,999	-	-	-	(387,972,975)	294,515,733	277,483,149	2,026,665,906
Net Increase / Decrease in Cash	9,807,122,741	(3,376,254,865)	(3,707,840,055)	(4,464,537,507)	739,088,771	(4,148,345,610)	(640,261,158)	(5,791,027,683)
Cash at the beginning of the year	4,625,521,130	2,864,176,192	(464,487,161)	464,005,662	5,802,659,710	725,520,487	(2,258,622,151)	11,758,773,869
Effect of foreign currency changes	-	1,374,143	-	-	-	-	-	1,374,143
Cash to be surrendered	53,241,434	3,131,485	-	482,344	-	-	-	56,855,263
Cash at the end of period	14,379,402,437	(513,836,015)	(4,172,327,216)	(4,001,014,189)	6,541,748,481	(3,422,825,123)	(2,898,883,309)	5,912,265,066

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

13. ELIMINATION ADJUSTMENTS

STATEMENT OF FINANCIAL PERFORMANCE – 30 JUNE 2020

(Classification of Expense by Nature)

NOTE	30 June 2020			30 June 2019					
	30 June 2020	30 June 2019	General Government Sector	Public Corporation	Elimination	General Government Sector	Public Corporation	Elimination	
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	
REVENUE									
Taxes Revenue	15	19,515,049,756	16,879,608,573	57,661,564,433	-	(38,146,514,677)	50,458,341,467	-	(33,578,732,894)
Revenue From Exchange Transactions	16	4,186,935,497	3,624,499,857	3,946,824,247	2,494,332,169	(2,254,220,919)	1,678,222,905	2,379,405,158	(433,128,206)
Social Contributions	17	2,959,340,481	2,773,190,859	4,247,343,306.00	-	(1,288,002,825)	2,791,934,222	-	(18,743,363)
External Assistance - Grants and Aid	18	1,119,675,142	643,406,277	2,239,350,282	-	(1,119,675,140)	1,286,812,554	-	(643,406,277)
Finance Income	19	31,780,129	25,058,863	27,734,423	4,045,706	-	22,057,098	3,001,765	-
Levies	20	587,945,673	445,430,670	580,814,564	7,131,109	-	433,473,826	11,956,844	-
Fees, Fines, Penalties and Forfeits	21	3,068,906,144	3,321,212,947	2,932,904,942	136,001,202	-	2,274,668,358	1,046,544,589	-
Other Revenue	22	3,575,415,051	4,131,447,714	4,071,733,102	2,614,587,150	(3,110,905,201)	3,183,186,509	1,663,710,073	(715,448,868)
LGA Own Source Revenue	23	-	-	1,033,109,935	-	(1,033,109,935)	105,720,660	-	(105,720,660)
Debt Forgiveness	24	19,486,135	-	19,486,135	-	-	-	-	-
15% of Revenue (Dividend)	25	-	-	440,048,337	800,000	(440,848,337)	232,807,557	412,713	(233,220,270)
Transfer from/(to) The Government Entities									
Fair Value Gains on Equity Investments	26	31,851,100	-	31,229,777	621,323	-	(38,392,404)	38,392,404	-
Fair Value Gains on Investment Properties	28	358,898,460	-	(58,613,315)	417,511,775	-	(5,610,822)	5,610,822	-
Fair Value Gains on Biological Assets	29	7,590,043	4,188,922	7,590,043	-	-	4,188,922	-	-
Fair Value Gains on Actuarial Valuation of Defined Benefit Plans	30	12,999,480	48,147,327	(36,307,498)	49,306,978	-	(1,099,480)	49,246,807	-
Fair Value Gains on Financial Assets	31	153,903,613	136,959,276	130,228,701	23,674,912	-	68,403,731	68,555,545	-
Fair Value Gains on Marketable Securities	32	125,476,503	-	-	125,476,503	-	-	-	-
Gains on Foreign Currency Translation	33	200,323,881	-	178,081,970	22,241,911	-	(11,864,833)	11,864,833	-
Gains on Disposal of Assets	34	-	-	(88,289)	88,289	-	(307,787)	307,787	-
Exchequer Revenue	35	-	-	22,330,592,661	899,835	(22,331,492,496)	21,448,214,717	628,204	(21,448,842,921)
Subvention From Other Government Entities	36	-	-	12,049,872,320	419,995,063	(12,469,867,383)	10,888,198,830	441,055,249	(11,329,254,079)
TOTAL REVENUE		35,955,577,088	32,033,151,285	111,833,500,076	6,316,713,925	(79,207,441,235)	94,818,956,030	5,720,692,793	(68,506,497,538)
EXPENSES									
Wages, Salaries and Employee Benefits	39	10,212,359,528	10,998,090,652	10,417,130,859	1,082,654,039	(1,289,146,175)	9,921,621,612	1,095,355,876	(18,886,836)
Supplies and Consumables Used	40	4,809,424,553	4,493,705,967	3,472,989,129	1,631,236,390	(320,889,681)	3,573,183,722	1,768,859,583	(848,337,338)
Routine Repair and Maintenance Expenses	41	1,263,614,346	1,032,693,041	999,952,155	263,662,191	-	870,099,247	162,593,794	-
Social Benefits	42	3,050,609,815	3,042,967,066	3,137,729,708	501,106	(87,620,999)	3,062,520,429	499,109	(20,052,472)
Finance Costs	43	2,665,908,483	2,459,610,970	2,381,168,752	284,739,731	-	2,162,336,387	297,274,583	-
Other Expenses	44	1,577,946,188	1,510,094,196	887,260,984	703,835,868	(13,152,554)	899,248,332	613,584,907	(2,739,043)
Provision for Obsolete Inventories	45	6,798,098	4,244,710	493,785	6,304,313	-	4,238,359	6,351	-
Subvention to Other Government entities	46	-	-	55,685,059,263	143,748,515	(55,735,111,814)	50,033,667,865	139,467,625	-
Grants, Transfers and Subsidies Issued	47	550,794,140	360,825,320	550,794,140	-	-	360,825,320	-	-
Depreciation of Property, Plant and Equipment	48	3,003,802,394	2,912,364,701	2,245,828,084	757,974,310	-	2,207,215,044	705,149,657	-
Depreciation of Investment Properties	49	11,626,479	10,295,187	6,317,295	5,309,184	-	4,158,488	6,136,699	-
Amortization of Intangible Assets	50	56,232,154	38,800,203	40,794,279	15,437,875	-	33,296,291	5,503,912	-
Impairment of Property, Plant and Equipment	51	11,662,546	11,036,931	10,966,547	695,999	-	3,412,246	7,624,685	-
Impairment of Intangible Asset	52	52,952	567,404	35,257	17,695	-	567,404	-	-
Impairment of Investment Property	53	2,220,680	2,224,162	74,588	2,146,092	-	79,560	2,144,602	-
Impairment of Receivables	54	367,874,397	807,697,104	342,960,476	24,913,921	-	792,645,275	15,051,829	-
Impairment of Loans	55	47,185,742	66,151,747	8,990,226	38,195,516	-	26,459,823	39,691,924	-
Fair Value Losses on Government Securities	58	28,599,175	87,316,555	(124,234)	28,723,409	-	28,801,184	58,515,371	-
Fair Value Losses on Actuarial Valuation of Defined Benefit Plans	61	-	-	(36,116,323)	36,116,323	-	(1,563,941)	1,563,941	-
Fair Value Losses on Financial Assets	62	-	-	(1,287,302)	1,287,302	-	(7,513,987)	7,513,987	-
Losses of Foreign Currency Translation	64	-	34,820,622	(39,223,894)	39,223,894	-	26,750,760	8,069,862	-
Losses on Disposal of Assets	65	943,364	3,787,978	903,247	40,117	-	3,692,209	95,769	-
Tax Expenses	66	-	-	158,354,906	285,272,433	(443,627,339)	246,477,701	197,537,326	(444,015,027)
Revenue Transfer To PMG/Consolidated Fund	68	-	-	21,311,431,480	6,464,973	(21,317,896,453)	16,992,745,825	6,585,507	(16,999,331,332)
TOTAL EXPENSES		27,667,655,435	28,000,539,094	101,582,483,407	5,358,501,196	(79,207,443,125)	91,244,965,155	5,138,826,899	(68,506,497,538)
Share of Surplus of Associates and Joint Ventures		101,106,788	54,175,385	87,976,788	13,130,000	-	36,432,453	17,742,932	-
SURPLUS FOR THE PERIOD		8,389,028,442	4,086,787,576	7,417,685,712	971,342,729	-	3,547,538,196	539,249,380	-

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

13. ELIMINATION ADJUSTMENTS

STATEMENT OF FINANCIAL POSITION – 30 JUNE 2020

(Amounts in TZS '000)

	NOTE			30 June 2020			30 June 2019		
		30 June 2020	30 June 2019	General Government Sector	Public Corporation	Elimination	General Government Sector	Public Corporation	Elimination
ASSETS									
Cash and Cash Equivalent	70	7,002,904,470	5,912,265,066	5,294,091,823	6,670,957,857	(4,962,145,210)	4,503,504,351	5,807,685,862	(4,398,925,147)
Fixed Deposits/Placements	71	266,451,471	137,201,891	387,057,503	20,853,070	(141,459,102)	395,444,772	11,917,043	(270,159,924)
Holdings of Special Drawing Rights (SDRs)	72	20,100,182	67,392,346	-	20,100,182	-	-	67,392,346	-
Quota in international Monetary Fund (IMF)	73	1,257,328,887	1,266,185,402	-	1,257,328,887	-	-	1,266,185,402	-
Foreign Currency Marketable Securities	74	6,201,955,789	5,065,705,728	-	6,201,955,789	-	-	5,065,705,728	-
Equity Investments	75	1,668,686,278	1,586,363,048	1,473,001,945	195,684,333	-	1,399,267,762	187,095,286	-
Government Securities	76	1,230,069,507	1,257,650,150	4,610,795,259	2,048,587,333	(5,429,313,085)	4,494,460,760	1,949,767,883	(5,186,578,493)
Receivables	77	9,759,706,948	9,984,065,322	10,480,712,637	3,111,354,010	(3,832,359,699)	9,493,344,074	4,522,989,856	(4,032,268,608)
Loans Receivables	78	9,694,857,776	8,644,912,470	7,527,313,474	2,167,544,302	-	6,976,765,377	1,668,147,093	-
Prepayments	79	2,815,458,587	2,551,495,383	994,914,632	1,820,543,955	-	1,117,606,366	1,433,889,017	-
Inventories	80	1,453,799,454	1,878,979,306	746,118,796	707,680,658	-	1,362,198,314	516,780,992	-
Deffered Currency Cost	81	34,035,017	41,375,635	-	34,035,017	-	-	41,375,635	-
Other Financial Assets	82	186,499,117	605,009,205	560,794,871	175,609,267	(549,905,021)	561,014,069	51,061,539	(7,066,403)
Escrow Accounts	83	149,780,547	149,323,286	-	149,780,547	-	-	149,323,286	-
Retirement Benefit Asset	88	12,102,386	16,841,551	11,315,864	786,522	-	8,613,894	8,227,657	-
Investments in LGLB: LGAs To LGLB	91	-	-	6,605,864	-	(6,605,864)	6,586,395	-	(6,586,395)
Investment Properties	84	7,853,968,685	7,358,993,062	2,679,897,383	5,174,071,302	-	2,635,924,706	4,723,068,356	-
Property Plant and Equipment	85	75,398,176,874	69,358,245,224	53,110,559,875	22,287,619,880	(2,881)	49,504,042,685	19,854,202,539	-
Intangible Assets	86	376,037,491	342,815,671	295,545,816	80,491,675	-	315,312,591	27,503,080	-
Biological Assets	87	155,601,748	131,809,443	151,466,987	4,134,761	-	127,920,394	3,889,049	-
Investments in Associates and Joint Ventures	89	1,373,239,799	1,249,158,032	1,230,066,251	143,173,548	-	1,109,560,317	139,597,715	-
Investments in Controlled Entities (Subsidiaries)	90	893,529,474	404,822,317	69,462,128,940	6,500,000	(68,575,099,466)	68,973,421,783	6,500,000	(68,575,099,466)
Non Current Assets Held for Sale	92	7,057,449	7,733,260	4,502,210	2,555,239	-	5,193,794	2,539,466	-
TOTAL ASSETS		127,811,347,936	118,018,342,798	159,026,890,130	52,281,348,134	(83,496,890,328)	152,990,182,404	47,504,844,830	(82,476,684,436)
LIABILITIES									
Payables and Accruals	93	12,463,522,434	13,371,647,806	9,196,224,727	7,099,657,846	(3,832,360,139)	10,700,698,246	6,703,218,168	(4,032,268,608)
//Currency in Circulation	94	5,225,320,820	4,965,202,559	-	5,225,320,820	-	-	4,965,202,559	-
Deposits from Banks and Non-Bank Financial Institutions	95	235,840,458	29,217,688	599,246,177	4,740,198,593	(5,103,604,312)	561,603,736	4,136,699,023	(4,669,085,071)
Deposit - Others	97	3,556,316,244	3,052,436,833	917,413,647	2,638,902,597	-	886,465,850	2,165,970,983	-
Foreign Currency Financial Liabilities	98	1,412,490,402	919,256,948	-	1,412,490,402	-	-	919,256,948	-
IMF Related Liabilities	99	1,094,754,287	1,206,939,205	-	1,094,754,287	-	-	1,206,939,205	-
Allocation of Special Drawing Rights (SDRs)	100	602,150,585	606,392,081	-	602,150,585	-	-	606,392,081	-
Borrowings (Public Dept)	101	51,327,545,512	47,918,306,555	56,756,696,221	-	(5,429,313,085)	53,104,885,048	-	(5,186,578,493)
Other Borrowings by Government Entities	102	6,497,948,296	6,283,458,935	433,988,288	6,063,960,008	-	429,911,796	5,853,547,139	-
BoT Liquidity Papers	103	118,788,633	330,753,832	-	118,788,633	-	-	330,753,832	-
Other Financial Liabilities	104	632,169,384	499,243,032	73,321,526	558,847,858	-	107,864,582	391,378,450	-
Pension Fund Actuarial Liabilities	105	19,095,594,000	19,095,594,000	19,095,594,000	-	-	19,095,594,000	-	-
Employee Benefits Liabilities	106	430,906,570	433,427,140	309,972,337	120,934,233	-	287,015,342	146,411,798	-
Retirement Benefits Obligations	107	488,351,876	647,254,339	471,284,995	17,066,881	-	635,321,684	11,932,655	-
Provisions	108	968,984,449	1,010,271,148	594,577,524	374,406,925	-	646,081,724	364,189,424	-
Deferred Income (Recurrent)	109	-	-	(94,074,262)	94,074,262	-	(89,841,669)	89,841,669	-
Deferred Income (Development)	110	-	-	(9,067,915,853)	9,067,915,853	-	(7,732,674,423)	7,732,674,423	-
TOTAL LIABILITIES		104,150,521,574	100,369,402,101	76,286,329,327	39,229,469,783	(14,365,277,536)	78,632,925,916	35,624,408,357	(13,887,932,172)
NET ASSETS		23,660,826,362	17,648,940,697	79,740,560,803	13,051,878,351	(69,131,612,792)	74,357,256,488	11,880,436,473	(68,588,752,264)
NET ASSETS									
Taxpayer Fund		42,768,409,170	42,566,396,206	39,035,991,484	4,288,928,571	(556,512,775)	38,484,829,162	4,095,219,842	(13,652,799)
Foreign Currency Revaluation Reserves		38,917,117	33,162,377	30,085,112	8,832,005	-	30,085,112	3,077,265	-
Fair Value Reserves		2,686,335,411	2,623,602,607	-	2,686,335,411	-	-	2,623,602,607	-
Defined Benefit (Actuarial) Reserves		18,409,937	18,409,937	2,028,630	16,381,307	-	2,028,630	16,381,307	-
Revaluation Surplus		473,809,604	469,076,980	155,890,839	317,918,765	-	174,277,884	294,799,096	-
Other Reserves		8,203,498,930	7,674,746,734	4,488,479,946	3,715,018,984	-	4,128,056,705	3,546,690,029	-
Minority Interest		165,209	61,729	-	165,209	-	-	61,729	-
Accumulated surpluses/(deficits)		(30,528,719,016)	(35,736,515,884)	36,028,080,461	2,018,298,099	68,575,099,466	31,537,978,984	1,300,604,598	68,575,099,466
TOTAL NET ASSETS		23,660,826,362	17,648,940,697	79,740,556,472	13,051,878,351	(69,131,612,241)	74,357,256,487	11,880,436,475	(68,588,752,265)

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

13. ELIMINATION ADJUSTMENTS

CASH FLOWS STATEMENTS – 30 JUNE 2020

(Amounts in TZS '000)

			30 June 2020			30 June 2019		
	30 June 2020	30 June 2019	General Government Sector	Public Corporation	Elimination	General Government Sector	Public Corporation	Elimination
CASH FLOW FROM OPERATING ACTIVITIES								
RECEIPTS								
LGA Own Source	-	-	1,033,109,935	-	(1,033,109,935)	105,720,660	-	(105,720,660)
Taxes Revenue	17,478,855,622	15,613,519,326	17,932,651,720	-	(453,796,098)	16,034,691,793	-	(421,172,467)
Finance Income	47,682,771	42,001,374	43,665,391	4,045,706	(28,326)	36,594,983	5,406,391	-
Levies	474,017,940	433,226,268	481,842,423	3,092,195	(10,916,678)	421,759,695	11,466,573	-
Fees, fines, penalties and Forfeits	3,604,340,893	3,095,586,540	2,874,431,465	899,877,763	(169,968,335)	2,327,211,379	768,375,161	-
Grants, transfers and subsidies received	19,391,606	15,072,955	19,520,125	-	(128,519)	13,122,323	1,950,632	-
Revenue from Exchange Transactions	1,731,338,262	6,210,852,703	1,300,928,362	1,684,630,819	(1,254,220,919)	4,311,893,981	2,332,086,928	(433,128,206)
Exchequer Revenue	-	-	22,329,491,842	-	(22,329,491,842)	21,458,491,168	-	(21,458,491,168)
Subvention from Other Government Entities	-	-	9,741,056,021	2,711,496,078	(12,452,552,099)	3,362,873,155	6,417,925,623	(9,780,798,778)
External Assistance- Grants and Aid	1,119,675,142	643,406,277	1,119,675,142	-	-	643,406,277	-	-
15% of Revenue (dividend) transfer from/(to) the Government Entities	-	-	442,607,384	-	(442,607,384)	-	-	-
Social Contributions	2,267,404,243	2,014,710,373	2,339,594,779	-	(72,190,536)	2,014,710,373	-	-
Other revenue	3,634,148,993	3,962,363,691	1,600,392,621	2,157,465,895	(123,709,523)	4,017,905,440	775,492,975	(831,034,724)
Increase in deposits	1,731,779,738	493,644,113	80,649,571	1,651,130,167	-	478,191,495	15,452,618	-
Total Receipts	32,108,635,210	32,524,383,620	61,339,616,781	9,111,738,623	(38,342,720,194)	55,226,572,722	10,328,156,901	(33,030,346,003)
PAYMENTS								
Transfer on non-tax Revenue to PMG/Consolidated Fund	-	-	21,311,433,834	6,464,973	(21,317,898,807)	16,992,702,604	6,585,507	(16,999,288,111)
Subvention to Other Government Entities	-	-	55,535,444,848	200,467,309	(55,735,912,157)	49,917,088,808	139,311,239	(50,056,400,047)
Grants, transfers and subsidies to	570,972,673	373,216,765	567,354,810	3,617,863	-	358,562,712	14,654,053	-
Wages,Salaries and Employee Benefits	12,851,177,927	11,856,350,151	12,346,556,466	1,795,408,183	(1,290,786,722)	11,090,118,116	766,232,035	-
Social Benefits	2,531,574,485	2,940,899,866	2,617,444,090	1,751,394	(87,620,999)	2,896,681,889	126,998,995	(82,781,018)
Supplies and consumables paid	5,871,025,728	13,120,518,148	5,225,048,836	,966,866,573	(320,889,681)	11,071,612,711	2,547,696,807	(498,791,370)
Routine repair and maintenance paid	2,103,240,344	1,258,534,222	2,023,534,386	90,579,734	(10,873,776)	1,109,656,532	332,157,349	(183,279,659)
Finance cost	2,655,194,658	2,513,854,619	2,384,615,542	272,318,164	(1,739,048)	2,137,088,419	376,766,200	-
Other Expenses	1,500,075,071	1,490,532,197	1,412,793,310	100,432,425	(13,150,664)	3,154,549,498	712,602,864	(2,739,043)
(decrease) in deposits	646,769,767	1,082,183,882	646,276,611	493,156	-	1,080,568,766	1,615,116	-
Total Payments	28,730,030,653	34,636,089,850	104,070,502,733	3,438,399,774	(78,778,871,854)	99,808,630,055	5,024,620,165	(67,823,279,248)
Net CashFlow from Operating Activities	3,378,604,557	(2,111,706,230)	(42,730,885,952)	5,673,338,849	40,436,151,660	(44,582,057,333)	5,303,536,736	34,792,933,245
CASH FLOW FROM INVESTING ACTIVITIES								
Increase/decrease in holdings of SDRs	47,292,164	(64,160,186)	-	47,292,164	-	-	(64,160,186)	-
Increase/decrease in quota in International Monetary Fund (IMF)	8,856,515	2,107,283	-	8,856,515	-	-	2,107,283	-
Increase/decrease in foreign currency marketable securities	(1,136,250,061)	1,446,709,687	-	(1,136,250,061)	-	-	1,446,709,687	-
Acquisition of equity investments	(46,170,628)	(2,427,242)	(38,271,953)	(7,898,675)	-	(530,000)	(1,897,242)	-
Net decrease/(increase) in Government securities	(106,836,503)	118,889,407	(27,463,663)	(79,372,840)	-	112,854,725	6,034,682	-
Loan Issued	1,016,086,566	455,810,052	123,212,957	892,873,609	-	107,707,061	348,102,991	-
Acquisition of investment properties	(74,056,143)	(71,180,860)	(66,539,171)	(7,516,972)	-	(64,126,243)	(7,054,617)	-
Acquisition of property, plant, and equipment	(6,757,205,918)	(7,531,623,551)	(6,724,833,027)	(32,372,891)	-	(3,456,136,349)	(4,075,487,202)	-
Acquisition of intangibles	(78,861,153)	(19,280,311)	(20,211,380)	(58,649,773)	-	(17,476,823)	(1,803,488)	-
Acquisition of biological assets	807,419	1,515,564	797,746	9,673	-	1,374,928	140,636	-
Acquisition of shares in associate or joint venture	(30,695,458)	(41,356,613)	(30,122,594)	(572,864)	-	(41,356,613)	-	-
Acquisition of shares in subsidiary	(56,085,321)	(990,589)	(56,085,321)	-	-	(990,589)	-	-
Total Investing Activities	(7,213,118,521)	(5,705,987,359)	(6,839,516,406)	(373,602,115)	-	(3,358,679,903)	(2,347,307,456)	-
CASH FLOW FROM FINANCING ACTIVITIES								
Increase/(decrease) in Currency in circulation	260,118,261	318,239,662	-	260,118,261	-	-	318,239,662	-
Increase/(decrease) in foreign currency financial liabilities	493,233,454	(260,883,364)	-	493,233,454	-	-	(260,883,364)	-
Increase/(decrease) in IMF related liabilities	(112,184,918)	(194,375,261)	-	(112,184,918)	-	-	(194,375,261)	-
Increase/(decrease) in allocation of Special Drawing Rights (SDRs)	(4,241,496)	(1,009,208)	-	(4,241,496)	-	-	(1,009,208)	-
Cash proceeds from borrowings	10,541,155,776	7,379,691,423	9,268,088,641	2,305,791,565	(1,032,724,430)	7,085,175,690	146,474,786	-
Increase/(decrease) in BOT liquidity papers	(211,965,199)	(249,944,804)	-	(211,965,199)	-	-	(249,944,804)	-
Repayment of borrowings	(5,853,782,173)	(4,965,052,542)	(5,779,286,656)	(74,495,517)	-	(5,242,535,691)	-	277,483,149
Total Financing Activities	(5,112,333,705)	(2,026,665,906)	(3,488,801,985)	2,656,256,150	(1,032,724,430)	1,842,639,999	(93,457,242)	277,483,149
Net Increase / Decrease in Cash	1,277,819,741	(5,791,027,683)	(2,780,986,873)	5,451,429,088	(1,392,622,474)	(46,098,097,237)	2,862,772,038	35,185,675,365
Cash at the beginning of the year	5,912,265,066	11,758,773,869	3,212,518,411	7,094,389,429	(4,266,117,155)	7,489,215,823	6,528,180,197	-
Effect of foreign currency changes	127,015	1,374,143	127,015	-	-	1,374,143	-	-
Cash to be surrendered	187,307,352	56,855,263	187,307,352	-	-	56,855,263	-	-
Cash at the end of period	7,002,904,470	5,912,265,066	244,351,201	12,545,818,517	(5,787,265,248)	(38,664,362,534)	9,390,952,235	35,185,675,365

14. EXCHEQUER (ISSUED)/RECEIVED

30-June-2020		CFS, Personnel Emoluments and Other Charges	Dfund and Development	Retention and Government Finances	Principal and Interest	Total
Vote	Name of the Vote	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
02	Teachers Service Commission	12,330,994	-	-	-	12,330,994
03	National Land Use Planning Commission	1,792,548	-	-	-	1,792,548
04	Records And Archives Management Department	2,320,022	-	967,621	-	3,287,643
05	National Irrigation Commission	4,191,922	11,672,553	1,177,487	-	17,041,963
07	Treasury Registrar	65,994,574	1,193,380	540,907	-	67,728,862
09	Secretariat of The Public Remuneration Board	1,290,140	-	-	-	1,290,140
10	Joint Finance Commission	2,126,123	-	-	-	2,126,123
12	Judiciary Service Commission	1,174,963	-	-	-	1,174,963
13	Financial Intelligent Unit	1,847,626	-	-	-	1,847,626
14	Fire and Rescue Force	32,813,267	-	737,083	-	33,550,350
15	Commission for Mediation and Arbitration	3,415,572	-	-	-	3,415,572
16	Attorney Generals' Office	6,444,005	-	-	-	6,444,005
18	UNESCO Commission	1,435,189	-	-	-	1,435,189
19	Office of The Solicitor General	9,093,904	-	-	-	9,093,904
20	The State House	23,152,301	-	-	-	23,152,301
21	The Treasury	534,216,531	4,704,592	11,424,638	-	550,345,761
22	Public Debt and General Services	1,609,408,151	-	-	8,109,115,420	9,718,523,571
23	Accountant General Department	40,075,471	1,222,980	5,520	-	41,303,971
24	The Cooperative Development Commission	7,625,026	-	-	-	7,625,026
25	Prime Minister	10,771,992	-	-	-	10,771,992
26	Vice President	10,104,799	-	-	-	10,104,799
27	Registrar of Political Parties	24,268,408	-	-	-	24,268,408
28	Ministry of Home Affairs - Police Force	664,260,765	-	1,206,216	-	665,466,982
29	Ministry of Home Affairs - Prisons Services	222,167,184	-	4,320,410	-	226,487,594
30	President Office and Cabinet Secretariat	474,646,150	62,177,333	17,804,383	-	554,627,866
31	Vice President Office	9,603,432	739,554	791,292	-	11,134,278
32	President Office - Public Service Management	34,335,078	-	5,227,004	-	39,562,082
33	Ethics Secretariat	7,436,313	380,439	-	-	7,816,752
34	Foreign Affairs and International Cooperation	149,390,105	-	603,474	-	149,993,579
35	Directorate of Public Prosecution	14,828,394	-	-	-	14,828,394
36	RAS Katavi	46,187,802	5,694,825	14,647,945	-	66,530,572
37	Office of the Prime Minister	17,989,627	32,199,681	-	-	50,189,308
38	Defence	1,484,185,547	-	2,515,468	-	1,486,701,016
39	The National Service	340,235,011	-	2,000,000	-	342,235,011
40	The Judicial Fund	109,147,852	-	10,211,047	-	119,358,899
41	Justice and Constitutional Affairs	8,085,184	47,330	239,132	-	8,371,646
42	The National Assembly Fund	118,952,831	2,379,016	5,300,744	-	126,632,592
43	Agriculture and Cooperatives	61,217,281	22,285,391	23,627,942	-	107,130,615
44	Industries and Trade	25,857,476	-	-	-	25,857,476
45	National Audit Office	51,478,972	1,198,100	1,272,949	-	53,950,021
46	Education and Culture	522,230,850	238,463,957	534,049,921	-	1,294,744,728
47	RAS Simiyu	114,954,678	8,373,420	19,012,496	-	142,340,594
48	Lands, Housing and Urban Development	36,629,190	2,628,888	7,877,678	-	47,135,757
49	Ministry of Water and Irrigation	32,852,768	261,009,118	217,322,326	-	511,184,211
50	Finance	67,846,295	6,147,469	7,719,095	-	81,712,859
51	Home Affairs	18,752,092	-	4,578,568	-	23,330,660
52	Ministry of Health, Elderly, Gender and Children	393,644,450	155,811,267	106,288,675	-	655,744,392
53	Community Development Women Affairs and Children	26,513,184	1,485,942	1,000,000	-	28,999,126
54	RAS Njombe	105,053,126	8,353,782	18,975,320	-	132,382,228
55	Commission of Human Rights and Good Governance	3,948,822	376,218	-	-	4,325,040
56	Regional Admin and Local Government	62,500,355	19,712,402	292,311,696	-	374,524,453
57	Defence and National Service	16,904,528	-	113,279,881	-	130,184,409
58	Ministry of Energy	23,485,931	160,082,000	1,026,440,853	-	1,210,008,785
59	Law Reform	1,694,159	-	-	-	1,694,159
60	Trade and Investments	19,550,737	-	-	-	19,550,737
61	Electoral Commission	6,999,943	-	159,756,988	-	166,756,931
62	Ministry of Transport	92,417,457	-	1,637,004,875	-	1,729,422,331
63	RAS Geita	138,027,675	21,475,351	23,989,704	-	183,492,729
64	Fisheries Sector	16,344,434	7,120,910	426,313	-	23,891,656
65	Labours and Youth Development	62,043,711	116,630	168,000,000	-	230,160,341
67	Public Service Recruitment Secretariat	2,758,237	-	-	-	2,758,237
68	Science, Technology and Higher Education	3,825,458	-	-	-	3,825,458
69	Tourism and Natural Resources	63,330,025	-	671,817	-	64,001,843
70	RAS Arusha	180,677,480	20,144,038	44,338,940	-	245,160,458
71	RAS Coast	162,629,748	16,899,661	30,181,820	-	209,711,229
72	RAS Dodoma	173,486,254	50,065,276	27,872,339	-	251,423,869
73	RAS Iringa	125,638,339	12,506,489	24,184,004	-	162,328,832
74	RAS Kigoma	123,876,007	8,047,407	14,503,814	-	146,427,227
75	RAS Kilimanjaro	191,756,075	10,072,309	26,109,151	-	227,937,535
76	RAS Lindi	91,260,011	8,733,185	19,666,324	-	119,659,520
77	RAS Mara	162,920,678	10,875,087	26,663,697	-	200,459,462
78	RAS Mbeya	189,924,535	15,046,017	35,596,136	-	240,566,688
79	RAS Morogoro	220,441,540	18,623,006	32,597,015	-	271,661,561
80	RAS Mtwara	121,836,168	10,493,863	23,770,241	-	156,100,271
81	RAS Mwanza	252,004,838	28,138,120	42,340,076	-	322,483,034
82	RAS Ruvuma	139,910,284	11,486,625	24,223,714	-	175,620,623
83	RAS Shinyanga	117,318,558	14,125,816	20,688,181	-	152,132,555
84	RAS Singida	107,171,807	9,376,805	18,533,273	-	135,081,884
85	RAS Tabora	151,024,186	14,617,269	27,447,302	-	193,088,757
86	RAS Tanga	214,688,207	13,054,786	37,425,162	-	265,168,155
87	RAS Kagera	171,240,537	17,032,112	28,669,391	-	216,942,040
88	RAS Dar es Salaam	292,980,895	24,112,661	117,827,121	-	434,920,677
89	RAS Rukwa	82,918,000	5,763,027	13,478,563	-	102,159,589
90	RAS Songwe	84,942,008	6,986,067	18,625,663	-	110,553,738
91	Anti-Drug Commission	6,720,790	-	-	-	6,720,790
92	Tanzania Commission for AIDS	2,667,660	3,956,635	-	-	6,624,295
93	Immigration Department	51,701,814	-	235,873	-	51,937,686
94	Public Service Commission	3,959,905	-	-	-	3,959,905
95	RAS Manyara	132,307,538	9,352,413	22,105,881	-	163,765,832
96	Ministry of Information Culture	25,882,316	-	814,624	-	26,696,940
98	Ministry of Infrastructure	32,859,105	304,051,414	1,720,916,327	-	2,057,826,846
99	Ministry of Livestock Development	25,554,783	-	328,821	-	25,883,605
100	Ministry of Minerals	42,157,951	-	4,153,606	-	46,311,557
	Total	11,760,664,656	1,686,612,616	6,846,624,528	8,109,115,420	28,397,017,220

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

14. EXCHEQUER (ISSUED)/RECEIVED (Continued)

30-June-2019		CFS, Personnel Emoluments and Other Charges	Dfund and Development	Retention and Government Finances	Principal and Interest	Total
Vote	Name of the Vote	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
02	Teachers Service Commission	9,721,861	-	-	-	9,721,861
03	National Land Use Planning Commission	1,685,964	2,000,000	-	-	3,685,964
04	Records And Archives Management Department	2,235,119	2,218,548	-	-	4,453,667
05	National Irrigation Commission	9,041,054	6,283,399	-	-	15,324,453
07	Treasury Registrar	17,429,883	999,895	-	-	18,429,778
09	Secretariat of The Public Remuneration Board	1,730,163	-	-	-	1,730,163
10	Joint Finance Commission	1,739,624	-	-	-	1,739,624
12	Judiciary Service Commission	1,063,698	-	-	-	1,063,698
13	Financial Intelligent Unit	2,121,806	-	-	-	2,121,806
14	Fire and Rescue Force	36,894,613	3,000,000	-	-	39,894,613
15	Commission For Mediation and Arbitration	3,210,073	-	-	-	3,210,073
16	Attorney Generals' Office	7,805,787	-	-	-	7,805,787
18	UNESCO Commission	516,980	-	-	-	516,980
19	Office of The Solicitor General	3,841,677	-	-	-	3,841,677
20	The State House	21,763,440	-	-	-	21,763,440
21	The Treasury	444,946,720	70,090,544	-	-	515,037,264
22	Public Debt and General Services	1,411,936,200	-	-	7,701,841,539	9,113,777,739
23	Accountant General Department	51,369,108	6,929,722	-	-	58,298,830
24	The Cooperative Development Commission	7,174,868	-	-	-	7,174,868
25	Prime Minister	7,171,003	-	-	-	7,171,003
26	Vice President	6,206,362	-	-	-	6,206,362
27	Registrar of Political Parties	20,152,766	-	-	-	20,152,766
28	Ministry of Home Affairs - Police Force	715,042,312	7,000,000	-	-	722,042,312
29	Ministry of Home Affairs - Prisons Services	214,886,310	1,273,800	-	-	216,160,110
30	President Office and Cabinet Secretariat	439,266,985	153,320,121	-	-	592,587,106
31	Vice President Office	8,539,127	2,411,620	-	-	10,950,746
32	President Office - Public Service Management	30,505,109	10,786,627	-	-	41,291,736
33	Ethics Secretariat	7,659,723	1,736,646	-	-	9,396,369
34	Foreign Affairs and International Cooperation	138,176,767	-	-	-	138,176,767
35	Directorate of Public Prosecution	14,568,829	-	-	-	14,568,829
36	Katavi	43,068,070	19,374,537	4,777,323	-	67,219,930
37	Office of the Prime Minister	12,277,918	20,697,841	-	-	32,975,759
38	Defence	1,412,556,473	3,346,034	-	-	1,415,902,507
39	The National Service	352,725,872	7,000,000	-	-	359,725,872
40	The Judicial Fund	107,467,816	23,676,890	-	-	131,144,706
41	Justice and Constitutional Affairs	7,102,853	2,703,685	-	-	9,806,538
42	The National Assembly Fund	114,010,286	8,194,109	-	-	122,204,395
43	Agriculture and Cooperatives	60,471,709	58,822,417	-	-	119,294,126
44	Industries and Trade	25,925,864	13,259,221	-	-	39,185,085
45	National Audit Office	47,405,406	2,340,931	-	-	49,746,337
46	Education and Culture	459,501,018	767,157,032	-	-	1,226,658,050
47	Simiyu	109,128,643	31,290,182	-	-	140,418,825
48	Lands, Housing and Urban Development	40,210,278	16,858,308	-	-	57,068,586
49	Ministry of Water and Irrigation	21,145,327	436,127,605	-	-	457,272,932
50	Finance	71,141,796	10,956,721	-	-	82,098,517
51	Home Affairs	18,589,311	65,443,077	-	-	84,032,388
52	Ministry of Health, Elderly, Gender and Children	346,353,703	274,163,322	15,622,316	-	636,139,340
53	Community Development Women Affairs and Children	22,303,644	1,804,882	-	-	24,108,526
54	Njombe	100,298,406	19,587,744	-	-	119,886,150
55	Commission of Human Rights and Good Governance	4,941,210	1,323,088	-	-	6,264,298
56	Regional Admin and Local Government	35,575,297	303,356,438	-	-	338,931,735
57	Defence and National Service	16,711,032	192,950,241	-	-	209,661,274
58	Ministry of Energy	23,461,595	1,535,361,613	-	-	1,558,823,208
59	Law Reform Commission	2,937,933	-	-	-	2,937,933
60	Trade and Investment	20,062,969	380,531	-	-	20,443,500
61	Electoral Commission	22,583,309	53,104,924	-	-	75,688,234
62	Ministry of Transport	89,949,435	1,040,231,253	-	-	1,130,180,688
63	Geita	131,004,564	31,808,581	-	-	162,813,144
64	Fisheries Sector	13,595,022	5,226,351	701,959	-	19,523,332
65	Labours and Youth Development	12,107,174	17,321,196	-	-	29,428,370
67	Public Service Recruitment Secretariat	2,504,601	498,226	-	-	3,002,827
68	Science, Technology and Higher Education	3,904,840	3,670,500	-	-	7,575,340
69	Tourism and Natural Resources	60,970,439	314,473	-	-	61,284,912
70	Arusha	175,190,494	31,693,767	-	-	206,884,261
71	Coast	151,402,491	27,278,230	-	-	178,680,721
72	Dodoma	169,484,735	72,098,522	12,443,650	-	254,026,907
73	Iringa	120,666,854	22,813,183	-	-	143,480,037
74	Kigoma	120,588,330	31,460,602	3,815,713	-	155,864,645
75	Kilimanjaro	189,549,726	37,216,008	8,005,566	-	234,771,301
76	Lindi	87,052,096	19,929,863	-	-	106,981,959
77	Mara	159,188,849	30,271,440	-	-	189,460,288
78	Mbeya	183,673,801	26,194,846	-	-	209,868,647
79	Morogoro	213,410,063	33,679,727	-	-	247,089,790
80	Mtwara	116,324,663	24,003,934	6,329,952	-	146,658,549
81	Mwanza	237,424,100	34,266,967	-	-	271,691,068
82	Ruvuma	134,809,974	30,200,633	-	-	165,010,607
83	Shinyanga	112,474,280	20,117,501	-	-	132,591,781
84	Singida	103,824,835	23,173,082	-	-	126,997,917
85	Tabora	144,850,531	28,959,224	8,446,127	-	182,255,882
86	Tanga	208,575,087	41,714,489	11,501,528	-	261,791,104
87	Kagera	167,757,026	38,918,547	8,868,473	-	215,544,046
88	Dar es Salaam	282,107,963	41,535,317	-	-	323,643,281
89	Rukwa	77,597,522	16,035,776	4,334,747	-	97,968,045
90	Songwe	79,080,533	17,535,819	-	-	96,616,352
91	Anti-Drug Commission	5,939,553	-	-	-	5,939,553
92	Tanzania Commission for AIDS	2,246,960	6,898,910	-	-	9,145,869
93	Immigration Department	54,095,550	-	-	-	54,095,550
94	Public Service Commission	3,950,351	-	-	-	3,950,351
95	Manyara	126,258,719	29,176,063	8,022,417	-	163,457,199
96	Ministry of Information Culture	29,277,375	5,318,684	-	-	34,596,059
98	Ministry of Infrastructure	42,601,135	1,905,982,331	-	-	1,948,583,466
99	Ministry of Livestock Development	25,729,280	2,173,188	1,976,859	-	29,879,327
100	Ministry of Minerals	34,802,307	34,938,221	-	-	69,740,528
	Total	11,010,332,929	7,869,987,749	94,846,632	7,701,841,539	26,677,008,848

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

15. TAX REVENUE

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Airport Departure Charges	74,580,381	118,740,905
Corporate and Individuals Income Taxes	3,511,708,492	1,856,776,674
Customs Processing Fees	68,376,599	60,350,105
Energy Levy Customs Processing Fee	15,166,658	17,008,028
Excise Duty Local	1,152,168,248	1,113,288,979
Excise Duty on Imports	1,310,919,864	1,150,293,342
Export Duty	174,365,558	750,173
Fuel Levy	821,231,913	702,792,946
Gaming Tax	92,088,147	100,962,503
Import Duties	1,371,007,201	1,212,354,038
Lincence Fee to Manufacture Exceisable Goods	726,121	92,081
Motor Vehicle Taxes	116,760,125	99,228,456
Others Taxes	557,220,989	568,928,326
Pay - As - You - Earn (PAYE)	2,622,587,810	2,504,242,097
Petroleum Levy-REA	310,750,639	291,903,948
Property Tax	760,567,712	616,691,225
Skills and Development Levy	367,427,443	325,494,507
Turnover and other general taxes on goods and services	-	2,297,313
VAT Imports	2,457,774,642	2,236,975,045
VAT Local - Goods	820,171,780	815,296,612
VAT Local - Services	2,094,562,958	2,183,961,797
VAT others	346,291,425	196,763,757
Wharfage fees	38,367,182	370,029,393
Withholding Taxes	507,571,115	453,050,316
	<u>19,515,049,756</u>	<u>16,879,608,573</u>

16. REVENUE FROM EXCHANGE TRANSACTIONS

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Agriculture and Farm produce	38,154,910	35,100,303
Air navigation Charges	45,845,139	14,519,975
Exploration Activities	3,879,815	662,000
Hire of Transport, Vehicles and Craft	89,392,190	74,876,353
Laboratory Charges	40,769,016	32,860,954
Loan to third Parties	90,000	-
Loans to other PSEs	22,614,614	21,106,214
Mineral Rent	39,541,727	25,114,670
Mining Royalties	425,424,931	268,528,648
Passenger Service Charges	83,182,196	75,009,874
Plant Quarantine and Phytosanitary Service	3,224,336	2,318,153
Prison Industry	207,468	90,550
Receipt from Conference Facilities	23,098,308	31,435,928
Receipt from sales of Livestock	4,412,434	3,533,576
Receipt from sales of Publications	17,492,707	18,218,224
Receipt from Veterinary Charges	2,578,028	2,143,076
Receipts from Livestock Multiplication Unit	18,833,733	26,326
Receipts from Medical and Dental Charges	121,234,402	101,819,470
Receipts from Poultry Produce	106,933	-
Receipts from Sale of Plans	1,654,083	1,374,928
Receipts from Sale of Stores	847,329,427	647,365,502

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Receipts from Water Charges	253,360,666	235,131,307
Recovery of Public Money	20,389,342	49,472,039
Rent from Telecommunication Towers	18,309,802	21,821,304
Rental of Produced Asset	113,462,766	111,326,612
Sale Electricity	1,431,882,837	1,446,908,720
Sale of NICTBB Services	1,326,503	567,319
Sale on Minerals	44,525,000	39,367,000
Sales of Government Assets	211,024,996	141,043,249
Sales of Honey and Beeswax	515,798	418,911
Sales of Plots	89,243,331	81,311,806
Sewage Disposal	18,954,755	15,528,306
Staff Loans	-	6,735
Students Loan Receivable	23,735,886	1,827,810
Telephone Charges	131,137,418	123,664,015
	<u>4,186,935,497</u>	<u>3,624,499,857</u>

17. SOCIAL CONTRIBUTIONS

Employee Receipt from Premium Compensation	221,611,236	204,163,860
Employer Receipt from Premium Compensation	809,454,253	1,960,510,463
Employer Receipts from Pension Contributions	634,104,788	555,748,131
Penalty	16,779,998	18,608,669
Self-employed or unemployed contributions	1,250,347,459	34,159,736
Unallocable contributions	25,321,942	-
	<u>2,959,340,481</u>	<u>2,773,190,859</u>

18. EXTERNAL ASSISTANCE (GRANTS AND AIDS)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Belgium	63,327	-
Canada	20,042,002	19,716,793
Denmark	47,842,758	318,969
European Union (EU)	285,913,453	859,230
External Grant	222,490,754	211,197,022
Finland	3,538,961	3,500,371
Germany	8,379,892	1,873,786
Global Fund	265,856,081	107,464,484
International Fund for Agriculture Development (IFAD)	-	15,429,775
Ireland	3,106	-
Japan/JICA	1,132,479	-
Kuwait Funds	-	5,668,012
Norway	25,352,024	21,177,942
Sweden	142,892,794	91,359,043
Switzerland	1,487,632	-
UN Women	450,055	150,039
UNEP	359,861	1,872,820
UNFPA	1,323,980	86,496
UNICEF	3,657,366	2,829,358
United Kingdom (DFID)	67,915,206	95,176,925
United National Development	-	6,570,998
United States of America	9,864,099	5,721,576

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
World Bank (IDA)	3,687,808	52,432,638
World Health Organisation (WHO)	7,421,504	-
	<u>1,119,675,142</u>	<u>643,406,277</u>

19. FINANCE INCOME

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Afrexim Bank	1,810,942	811,003
African Reinsurance Corporation	384,385	-
CRDB Bank (CRDB)	7,254	-
Dar es Salaam Stock Exchange (DSE)	94,599	12,071
Dividend from BOT	522,500	1,624
Dividend from CRDB	819,191	1,827,654
Dividend from DSE	33,631	25,878
Dividend from Global Packaging Tanzania Limited	-	13,376
Dividend from NMB	275,521	611,931
Dividend from Tanzania Cigarate Company (TCC)	42,843	6,413
Multilateral Investment Guarantee Agency	92,000	56,822
Multilateral Investment Gurantee Agency	-	8,804
NICO Limited (NICOL)	5,147	3,392
Other Parastatals	1,316,815	1,370,160
PTA Reinsurance (PTA-RE)	200,326	401,198
Swissport Tanzania Limited	-	198,362
Tanga Cement Limited	-	200,000
Tanzania Breweries Limited (TBL)	23,016,664	18,220,869
Tanzania Cigarette Company (TCC) Limited	13,278	9,657
Tanzania Oxygen Limited (TOL)	129,240	695
Tanzania Portland Cement Co. Limited (Twiga)	850,452	787,449
Tanzania Re-Insurance Company Limited (TANRE)	353,473	215,748
Tourism Promotion Services (TPS)	-	14,595
Vodacom Company Limited	1,811,868	261,162
	<u>31,780,129</u>	<u>25,058,863</u>

20. LEVIES

Education Investment levy	59,031,355	63,200,536
Hotel/Guest House Levy	8,394,766	8,674,093
Other Levies on Business activities	41,299,488	39,850,452
Produce Cess	138,342,800	123,915,441
Receipt from dipping fees	78,213,731	100,430
Service Levy	262,663,533	209,689,718
	<u>587,945,673</u>	<u>445,430,670</u>

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

21. FEES, FINES, PENALTIES AND FORFEITS

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Abattoir Slaughter fees	2,326,735	2,128,551
Advertising Fees	25,974,849	21,779,376
Building Materials Extraction licence	12,725,503	11,738,476
Business Licence	46,693,591	45,513,533
Central Bus stand fee	9,424,186	6,114,009
Conference fee	1,468,317	610,608
Construction Fees	8,648,376	15,448,648
Consultancy Fee	35,770,042	40,418,776
Coumpounding Fees	1,554,373	1,496,468
Export Fees	1,801,896	-
Fees for Food Licenses	8,613,901	5,855,914
Fishing and Export Licenses	8,131,217	9,240,409
Forest Royalties	8,947,743	6,514,761
Geological Fees	21,233,869	8,393,000
Hunting Licenses	1,083,472	934,302
Import Fees	68,975,338	836,600,971
Inspection Fees	148,073,151	127,380,780
Livestock Market Fees	6,370,434	4,426,292
Livestock Movement Permit	351,033	309,753
Market Fees and Charges	34,027,642	32,623,662
Mining Royalties	422,815,944	290,950,032
Motor Vehicle Inspection Fees	1,627,488	6,249,409
Movement Permit Fee other than Livestock Market	816,598	838,475
Other Licences - Fines and Penalties	334,431,530	65,442,773
Parking Fees/Charges	78,465,435	47,716,891
Permit Fee	20,990,244	23,987,965
Plot Application Fees	2,267,824	149,500
Receipt from Annual Fees	151,414,742	126,141,470
Receipt from Fire Certificate Fees	8,207,574	5,685
Receipt from Game viewing Tourism Fees	373,643,385	424,015,775
Receipt from Misceleneous Fees	539,067,826	571,538,259
Receipt from Training and Examination Fees	261,227,551	177,432,849
Receipts from tuition fees	189,570,946	160,792,653
Registration Fees	52,058,646	32,385,951
Sanitation Fee	16,860,387	11,087,261
Student Accomodation Fee	6,895,325	5,275,096
Surcharge Fee	22,350,305	24,254,446
Tender fees	3,216,793	3,904,403
Tourism Business Licence fees	6,284,589	6,375,886
Tuition Fees for Government Schools	95,051,811	111,960,379
Valuation Charges/Fee	2,992,953	3,340,442
Work Permit Fees - Non Citizen	26,452,580	49,839,058
	<u>3,068,906,144</u>	<u>3,321,212,947</u>

22. OTHER REVENUE

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Application Fee	11,008,646	41,009,172
AUD Investments	5,854,450	10,360,710
CYEN Investments	15,909,405	16,320,935
Debt securities	81,799	4,888,347
Donation-Cash	144,791,626	232,393,775

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Donation-Non cash	203,972,328	48,301,442
Duplicate Registration Certificate	413,780	9,445
Electricity Charges - REA	35,410	-
GBP Investments	13,613,838	11,937,443
Interest on Deposit	19,663,347	92,714,276
Interest on domestic Investment	937,848,027	873,449,128
Interest on loans and advice	179,165,466	187,084,854
Interest on repurchase agreements(Reverse REPO)	9,366,394	14,623,603
Interest on Staff loans	795,864	1,042,166
Miscellaneous Receipts	444,057,890	623,137,967
Other foreign Investment	1,555,576	990,646
Parking Charges	4,190,119	3,849,679
Project and Dissertation Supervision	9,900,987	3,395,725
Provisions for unearned Premiums	9,754,447	11,818,629
Receipt from Visa	25,596,662	71,423,413
Receipts From Commissions	37,836,835	35,411,678
reimbursable cost	650,854,685	7,730,141
Rent from Overseas Government Quarters	537,775	2,220,033
Rent Income	107,837,688	102,939,743
Sales of Gas	489,780,548	456,931,036
USD Investments	162,149,984	135,273,433
User charges	88,841,475	142,190,295
	<u>3,575,415,051</u>	<u>4,131,447,714</u>

23. LGA OWN SOURCE REVENUE

	30-June-2020	30-June 2019
	TZS '000	TZS '000
LGA Own Source Revenue	-	-
	<u>-</u>	<u>-</u>

24. DEBT FORGIVENESS

Debt Forgiveness	19,486,135	-
	<u>19,486,135</u>	<u>-</u>

25. 15% OF REVENUE (DIVIDEND) TRANSFER FROM/(TO) THE GOVERNMENT ENTITIES

These are amounts transferred by Government owned entities to the Consolidated Fund through the Treasury Registrar.

Upon consolidation, the amounts have been eliminated in full.

26. FAIR VALUE GAINS ON EQUITY INVESTMENTS

Fair value gains on equity investments	31,851,100	-
	<u>31,851,100</u>	<u>-</u>

27. FAIR VALUE GAINS ON GOVERNMENT SECURITIES

Upon Net off of Gains on Government Securities

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

28. FAIR VALUE GAINS ON INVESTMENT PROPERTIES

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Fair value gains on investment properties	358,898,460	-
	<u>358,898,460</u>	<u>-</u>

29. FAIR VALUE GAINS ON BIOLOGICAL ASSETS

Fair value gains on biological assets	7,590,043	4,188,922
	<u>7,590,043</u>	<u>4,188,922</u>

30. FAIR VALUE GAINS ON ACTUARIAL VALUATION OF DEFINED BENEFIT PLANS

Fair value gains on actuarial valuation of defined benefit plans	12,999,480	48,147,327
	<u>12,999,480</u>	<u>48,147,327</u>

31. FAIR VALUE GAINS ON FINANCIAL ASSETS

Fair value gains on financial assets	153,903,613	136,959,276
	<u>153,903,613</u>	<u>136,959,276</u>

32. FAIR VALUE GAINS ON MARKETABLE SECURITIES

Fair value gains on marketable securities	125,476,503	-
	<u>125,476,503</u>	<u>-</u>

33. GAINS ON FOREIGN CURRENCY TRANSLATION

Foreign currency exchange gain	200,323,881	-
	<u>200,323,881</u>	<u>-</u>

34. GAIN ON DISPOSAL OF ASSETS

Upon consolidation, these amounts have been eliminated in full.

35. EXCHEQUER REVENUE

Upon consolidation, these amounts have been eliminated in full.

36. SUBVENTION FROM OTHER GOVERNMENT ENTITIES

Upon consolidation, these amounts have been eliminated in full.

37. GRANTS, TRANSFERS AND SUBSIDIES RECEIVED

Upon consolidation, these amounts have been eliminated in full.

38. SHARE OF DEFICIT OF ASSOCIATES AND JOINT VENTURES

Upon Net off of share of Deficit of Associates and Joint Venture

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

39. WAGES, SALARIES AND EMPLOYEE BENEFITS

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Accommodation in Lieu of Quarters	1,092,366	204,563
Acting Allowance	7,313,005	23,000,619
Ambassador's Entertainment Allowance	75,682	73,549
Casual Labourer	90,404,097	61,777,467
Civil Servants	5,147,070,982	6,392,056,174
Civil Servants Contract	186,541,338	116,007,054
Compassionate Leave - Foreign	6,573	74,988
Constituency Allowance	39,917,121	42,996,315
Councillors Allowance	25,630,301	20,139,065
Court Attire Allowance	998,321	736,108
Diesel Allowance for Judges	1,007,120	1,049,093
Directors fees	6,607,575	2,756,500
Electricity Allowance	12,632,632	12,057,775
Extra-Duty	240,362,014	176,952,114
Facilitation Allowance	2,818,829	1,808,561
Field (Practical Allowance)	7,744,367	4,306,507
Food and Refreshment	27,423,080	12,999,815
Foreign Service Allowance	21,057,063	17,458,231
Furniture	12,382,012	8,437,490
Gratuities	17,379,404	21,582,380
Hardship Allowance	4,735,861	4,329,977
Honoraria	76,554,398	42,230,587
Household Appliances	966,747	7,836,524
Housing Allowance	136,661,017	94,199,714
Internship Allowance	54,204,770	35,046,222
Invigilators Allowances	1,519,325	1,458,770
Leave Travel	73,390,371	62,494,260
Local Based Staff Salaries	97,010,419	83,483,319
Local Staff Salaries	747,357,945	885,070,164
Medical and Dental Refunds	21,639,935	16,303,709
Members of Parliament	18,988,038	34,780
Military Payroll	1,665,630,109	1,547,627,658
Moving Expenses	96,108,136	116,241,280
MP Personal Assistant's Allowance	120	7,500
On Call Allowance	18,219,788	13,193,223
Operational Service Staff	76,686,641	49,391,522
Other Allowance	262,513,028	240,304,072
Other Uniformed Services	116,397,725	114,143,072
Outfit Allowance	1,560,608	2,736,405
Overseas Bursary Allowance	4,670,549	7,285,150
Passages Allowances	12,233,772	7,734,468
Postmortem Allowance	343,591	468,558
Professional Allowances	7,090,073	9,760,101
Public Officers	99,104,945	8,778,410
Ration Allowance	303,917,593	309,287,543
Responsibility Allowance	61,626,118	46,967,360
Risk Allowance	12,859,771	14,179,939
Sitting Allowance	66,622,625	54,673,441
Skills and Development levy	14,886,065	8,188,497
Special Allowance	191,025,409	194,965,132
Subsistence Allowance	52,605,731	40,891,366
Teachers Allowance	8,103,645	7,442,075

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Telephone	15,332,053	9,836,308
Top Up Allowance	2,236,343	2,704,937
Transport Allowance	26,846,686	33,273,501
Uniform Allowance	3,657,003	3,311,316
Utility	7,221,413	5,119,760
Water and Waste Disposal	1,227,005	467,724
Zanzibar Social Security Fund (ZSSF)	419,470	147,940
	<u>10,212,359,528</u>	<u>10,998,090,652</u>

40. SUPPLIES AND CONSUMABLES USED

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Acaricides	470,632	307,671
Accommodation	5,685,329	4,977,798
Advertising and Publication	29,666,200	30,631,441
Agricultural Chemicals	3,300,716	5,892,989
Agricultural Implements	1,654,697	494,074
Air Defence and Control Systems	195,017	198,421
Air Travel Tickets	34,874,122	48,203,480
Aircraft Equipment	10,468	-
Animal Feeds	1,049,550	848,748
Archive Materials	233,046	25,994
Arms and Ammunitions	946,593	21,406,697
Artistic Materials	44,288	1,007,545
Aviation gas/spirit	347,131	385,468
Barracks	722,046	1,286,821
Bed and Mattresses	180,959	293,001
Bed Sheets and Linen	160,770	217,613
Blankets	1,340	98,476
Books, Reference and Periodicals	12,835,066	11,701,935
Bottled Gas	368,305	151,291
Capitation Costs	35,798,837	19,194,143
Catering Services	12,894,906	10,417,911
Central Heating	331,729	284,058
Charcoal	24,038	61,517
Civilian Aircraft	2,991,716	2,721,681
Classified Supplies and Service	21,836,191	24,776,878
Classroom Teaching Supplies	22,745,443	21,135,929
Cleaning Supplies	14,877,480	14,357,613
Clothing and Attachment	1,852,698	7,098,351
Combat Support Equipment	20,478	89,559
Communication Equipment	32,351,710	41,232,224
Communication Network Services	21,622,396	8,445,042
Computer Software	2,361,693	3,430,838
Computer Supplies and Accessories	67,989,822	45,968,697
Conference Facilities	35,163,218	39,989,566
Construction and maintenance of Electrical Lines	468,067,370	230,220,769
Consumable Medical Supplies	210,826,262	202,560,214
Contract based training services	6,027,467	15,313,558
Courier Services	1,573,130	11,992,913
Court Martial and Legal Services	915,262	1,388,425
Diesel	46,097,542	66,931,360
Distribution Expenses	48,204,769	40,628,211

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Donation	7,583,867	3,601,219
Drugs and Medicines	177,388,098	101,189,874
Educational Radio and TV broadcasting programming	22,410,897	52,526,870
Electricity charges by private entities	65,195	323,763
Entertainment	14,521,745	14,561,278
Examination Expenses	90,028,454	75,017,249
Exhibition, Festivals and Celebrations	10,702,754	11,564,151
Expenses of former leaders	7,766,940	6,846,261
Expert/riate Personnel	1,279,382	428,676
Fertilizers	575,255	1,734,269
Field Equipment (Mechanical)	4,355,170	355,118
Field Hospital Equipment	290,244	148,738
Financial Forms	549,403	1,916,445
Fire wood	333,433	-
Food and Refreshments	54,553,750	40,924,363
Fumigation	1,864,797	2,428,874
Furniture and Appliances	3,035,510	1,038,767
Geological Surveys	2,709,068	25,060
Gifts and Prizes	5,517,868	4,269,319
Ground Transport (Bus, Train, Water)	134,183,087	123,442,527
Health Insurance	3,634,433	1,448,186
Heavy Equipment	6,092	-
Hiring of Training Facilities	2,529,390	4,347,066
Hospital Supplies	27,644,072	13,922,971
Illuminating kerosene (Paraffin)	38,053	29,830
Internet and Email connections	45,097,862	44,929,964
Jet A-1/Aviation kerosene	8,209,161	37,148,330
Joint Training & Operations (Regional)	1,585,741	1,470,219
Laboratory Supplies	23,751,880	10,165,971
Land force Equipments	14,000	-
Land Scaping	144,404	403,213
Laundry and Cleaning	6,566,426	5,893,013
Leased lines	549,036	688,675
Library Books	2,009,587	1,101,496
Lodging/Accommodation	6,971,711	8,216,063
Lubricants	12,057,505	8,643,688
Mapping Surveys	1,521,754	151,578
Maps	176,023	961,734
Marine Fuel	1,786,245	2,124,071
Materials Testing Services	97,021	2,007,208
Medical Gases and Chemicals	3,069,706	3,136,522
Medical Practitioners	22,131	1,101,664
Military Exercises and Manoeuvres	368,926	-
Military Training- Domestic	1,354,999	-
Military Training-Foreign	694,935	-
Millitary Surveillance	248,311	1,346
Mobile Charges	2,987,344	4,240,016
Motor Oil	3,460,943	5,297,449
Natural Gas	235,011,887	200,884,063
Naval Force Equipments	11,089	-
Negotiated Compasation	16,380,930	18,439,734
News Services Fees	207,199	1,016,640

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Newspapers and Magazines	2,638,645	2,336,494
Non Cash Expenditure	54,050,332	4,600,185
Non-Agriculture Chemicals Supplies and Services	1,686,860	2,304,244
Office Consumables (papers,pencils, pens and stationaries)	224,430,741	252,989,881
Other Gas	20,280,776	12,317,338
Outsourcing Costs (includes cleaning and security services)	107,141,817	76,016,075
Own Generation and Transmission	18,863,653	39,003
Own Generation Transmission Line	492,399,995	559,433,971
Parade and Ceremony	838,714	-
Passport Printing Materials	13,445	-
People Militia	30,773	-
Per Diem - Domestic	427,982,696	353,311,416
Per Diem - Foreign	49,417,563	26,657,360
Personnel Track Vehicles	40,637	142,629
Post Mortem Expenses	403,106	161,536
Posts and Telegraphs	7,533,890	5,986,217
Printing accessories	10,200	-
Printing and Photocopy paper	18,237,868	38,417,467
Printing and Photocopying Costs	52,605,506	93,994,423
Printing Material	6,921,055	9,934,664
Prisoners Clothing	100,000	95,792
Prisoners Food	10,414,424	18,418,477
Production and Printing of Training Materials	6,281,815	5,000,249
Programs Transmission Fees	940,253	1,552,924
Protective Clothing, footwear and gears	4,923,414	614,936
Publicity	10,126,180	15,012,320
Purchased Electricity	263,223,110	290,378,479
Ration - Food Purchase	252,195,653	245,779,348
Remuneration of Instructors	7,870,954	2,696,742
Rent - Housing	31,896,772	33,418,684
Rent - Office Accommodation	40,337,981	52,563,774
Rent of Vehicles and Crafts	39,188,760	22,741,217
Representation Abroad	2,999,453	1,850,419
Research and consultancies	71,831,579	57,268,241
Satellite access services	1,081,258	1,014,789
Schools Laboratory Supplies	2,967,009	4,868,373
Security Control and Surveillance in Military Installation	907,202	852,764
Seeds	1,762,708	2,757,415
Sewage Charges	1,654,531	1,849,666
Small engineering tools and equipment	2,164,104	4,667,871
Software License Fees	10,467,545	10,162,547
Special Foods (diet food)	4,817,110	4,358,733
Special Needs material and supplies	11,709,480	4,888,431
Special Operations	27,883,876	47,821,545
Special Uniforms and Clothing	6,088,943	7,849,111
Special Women Clothes	9,877	-
Specialised Medical Supplies	110,757,496	174,864,289
Sporting Supplies	2,364,950	1,682,841

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Student meals	28,791,988	14,633,285
Subscription Fees	11,020,630	8,550,997
Tapes, Films, and Materials (split)	6,044,966	19,908,637
Technical Materials	34,743,804	36,518,218
Technical Service Fees	7,676,436	9,715,469
Telex and Radio	1,177,889	832,339
Tents and Camp Equipment	584,582	603,278
Testing Facilities	918,630	577,355
Textbooks	3,315,767	7,305,426
Towels and Other Related supplies	6,385,561	10,732,965
Training Aids	3,414,721	5,375,866
Training Allowances	39,796,436	47,920,460
Training Materials	22,988,104	31,301,377
Tuition Fees	24,980,490	19,483,596
Uniforms and Ceremonial Dresses	10,509,739	12,340,864
Upkeep Allowances	8,081,628	10,970,737
Upkeep of Grounds and Amenities	1,394,881	530,259
Upkeep of Training Establishment	6,720,651	5,498,531
Vaccines	17,928,791	15,209,900
Valuation of NCA	42,696	7,732,584
Veterinary Drugs and Medicine	2,348,928	2,302,216
Visa Application Fees	290,934	434,474
Warehousing	18,085,599	1,470,821
Water Charges	9,227,839	5,469,473
Water Transport	489,948	363,029
Wire, Wireless, Telephone, Telex Services and Facsimile	8,635,346	7,768,480
	<u>4,809,424,553</u>	<u>4,493,705,967</u>

41. ROUTINE REPAIRS AND MAINTENANCE EXPENSES

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Aggregates and Road Surfacing Materials	7,104,868	19,278,799
Air conditioners	1,158,738	3,575,011
Air Navigation Beacons	11,160,257	8,874,941
Cement, Bricks and Building Materials	70,273,524	47,575,540
Cement, bricks and construction materials	60,313,488	50,641,865
Classified Materials	22,735	50,000
Cold Room Units	-	29,042
Computers, printers, scanners, and other computer related equipment	6,197,308	9,021,522
CT Scan Equipment	228,861	-
Direct labour (contracted or casual hire)	7,387,182	6,301,483
Electrical and Other Cabling Materials	9,841,347	2,235,728
Electrical and Telephone Cable Installations	613,502	106,198
Electrical cabling and equipment (traffic lights)	833,687	2,042,317
Excavations and Dredging	409,585	1,431,210
Exercises	181,870	50,139
Fax machines and other small office equipment	2,621,405	6,101,787
Fire Protection Equipment	1,174,392	910,494
Materials	1,450,951	823,141
Mechanical, electrical, and electronic spare parts	1,797,588	1,559,910

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Medical and Laboratory equipment	3,494,439	3,937,193
Metal Fence and Posts	104,671	101,113
Motor Vehicles and Water Craft	72,257,026	69,275,584
Navigation Equipment (flight calibrations, signalling and beacons)	1,178,582	31,211
Nutrition	698,232	-
Oil and Grease	7,488,135	10,772,464
Oil, grease, and other chemical materials	10,106,290	7,868,557
Outsource	3,614,649	153,607,396
Outsource maintenance contract services	768,709,114	452,996,618
Outsource maintenance contract services-Office Equipment and Appliances	9,497,562	27,109,209
Paint and Weather Protection Coatings	678,136	269,110
Panel and body shop repair materials and services	1,240,876	1,785,762
Photocopiers	800,259	1,949,060
Photographic and survey equipment	9,720	150,490
Pipes and Fittings	14,866,087	5,180,913
Plumbing Supplies and Fixtures	2,858,626	541,522
Precision tools, weights and measures instruments	1,923,450	552,169
Radar	10,104	18,788
Roofing Materials	1,182,609	248,327
Servers - Maintenance	685,678	1,136,045
Services	2,793,746	7,618,398
Small Car Mechanics Tools	273,699	143,381
Small tools and equipment	984,156	5,343,085
Small Tools and Implements	4,591,088	7,091,263
Spare Parts	9,375,936	26,827,299
Spare Parts - Vehicles and Transportation Equipment	85,943,255	19,027,844
Survey Aircraft	61,247,043	40,894,191
Telephones and Office PABX systems	580,429	107,217
TV sets and Radios	166,047	65,345
Tyres and Batteries	8,814,547	13,858,438
Ultra-Sound Equipment	49,500	36,600
War Graves	2,000	2,253
Water Pumps	3,161,854	11,730,278
Weather Protection Coatings	760	17,593
Wood and Timber Supplies	362,208	41,495
X-Ray Equipment	1,092,545	1,747,703
	<u>1,263,614,346</u>	<u>1,032,693,041</u>

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

42. SOCIAL BENEFITS

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Accidental Death	-	46,651
Contribution Refunds	4,008,710	8,639,760
Death benefits in Cash	71,395,933	54,162,448
Destitute	4,500	-
Education Allowances	3,117,262	3,740,857
Health Costs in Cash	24,384,293	30,971,589
Invalidity	2,415,710	61,193,338
Life Saving Drugs	16,600	11,644
Maternity benefits	17,945,762	13,146,524
Medical exemption-Children under 5 years	662,355	1,186,811
Medical exemption-Elderly over 60 years	699,575	828,511
Medical exemption-Special groups	6,083,673	5,512,044
Medical Treatment abroad	4,077,762	4,630,123
Relief Assistance	7,198,659	18,933,671
Retirement benefits	1,459,566,060	1,453,623,914
Self Help Scheme	576,893,056	611,274,159
Settlement of Medical Treatment Claims	506,215,287	477,766,719
Spouse Allowance	9,900	5,174,019
Survivors' pension	20,872,205	16,737,689
Training for the Handicapped	26,075	10,409
Unemployment benefits	267,956,438	84,350,819
Withdrawal	77,060,000	191,025,367
	<u>3,050,609,815</u>	<u>3,042,967,066</u>

43. FINANCE COST

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
364 day Treasury Bills	231,139,140	201,966,687
Foreign Commercial Loans	798,105,953	776,132,225
Foreign/Bilateral Loans (Non-Paris club Countries)	3,942,753	3,522,294
Foreign/Bilateral Loans (Paris Club Countries)	3,183,231	4,203,871
Government Bonds	1,029,763,492	951,723,934
Government Stocks	18,265,848	24,653,240
Interest expenses on Domestic Transactions	54,664,840	55,052,862
Interest expenses on Foreign Transactions	14,906,100	12,318,229
Interest on Domestic loans	209,257,412	135,782,839
International Organizations	202,488,834	182,766,372
Long term loans	6,951,796	4,721,572
Overdrafts	2,864,298	3,331,659
Special Bonds	90,374,786	103,435,186
	<u>2,665,908,483</u>	<u>2,459,610,970</u>

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

44. OTHER EXPENSES

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Agency fees	12,308,192	8,533,758
Audit fees	4,659,890	18,656,381
audit supervision expenses	20,042,122	15,926,407
Bank Charges and Commissions	25,181,898	30,957,340
Bank Charges and Commissions Accrued	3,761,795	5,791,715
Burial Expenses	6,603,767	4,378,137
Capacity Charges	105,725	165,371
Capital claims	9,363	137,115
Census	167,664	84,182
Change on IMF Drawings	3,609,172	6,392,142
Claims related to nonlife insurance and standardized guarantee schemes	20,937,352	7,717,369
consultancy fees	57,928,553	85,757,185
Consumption of gunny bags (re-bagging)	-	10,463
Contingencies Item	39,413,844	5,786,857
Current (Corporate) tax	7,186,053	8,148,262
Deferred tax expense/(release) for the year	57,505	154,939
Discount and commission to dealers	37,368	211,831
Domestic Debt	793,021	156,696
education supervision expenses	12,143,317	84,368,969
Education Support Fees	14,035,403	10,965,223
Electricity distribution expenses	2,201,268	577,845
Electricity purchased by TANESCO	1,421,456	1,695,124
Exchange Equalization	38	-
Fees for standardized guarantee schemes	36,995	-
Financial Intelligence Unit	2,572	52,489
Financial market development expense	1,778,072	224,034
Foreign Exchange Equalization	136,939	48,935
Freight Forwarding and Clearing Charges	3,637,467	2,511,663
Goods and Services - Payments	124,890,707	308,074,107
Honorariums (expert opinion)	4,573,777	1,903,625
Husbandry expenses	1,838,538	1,200,232
Inmate Allowances	198,784	9,485
Installations Insurance	1,427,532	1,450,318
Insurance Expenses	46,989,940	27,615,836
Interest on BoT Liquidity paper	7,076,853	13,838,429
Interest on repurchase agreement	9,771,111	137,342
Investigation expenses	1,714,668	976,638
Legal fees	9,114,427	10,877,892
Listing and Filling Fee	1,032,998	-
Loan management and servicing fee	6,809,528	4,888,063
Management Fee	22,882,519	18,843,306
Motor Vehicle Revolving Fund	-	220,941
National Expenses	409,949,773	323,327,138
National Security Council	1,965,155	1,984,459
Negotiated Compensation	3,121,169	41,611,123
Non life insurance	26,713,865	58,871,410
Non-Government Organizations (NGOs)	22,772,695	98,811
Other Fees for standardized guarantee schemes	-	21,850
Parastatal Rehabilitation	10,479,211	5,831,408
Political Aid	45,374	17,373,854

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Property and Formalization Programme	2,646,078	2,573,824
Property insurance	219,361	98,185
Property Insurance Premiums	148,878	1,416,657
Registration, Accreditation, Admission and Articulation	5,088,890	6,832,188
Release Travel	9,851,270	3,174,462
Resource lease on Land	1,844,770	1,109,835
Resource lease on subsoil	-	11,360
Resource lease other natural resources	24,993	-
SHIMIWI	127,553	330,034
Shipping Administration Charges	855,097	1,646,372
Special Operation Services	95,256,984	30,985,395
Specialized Equipment and Supplies	32,298,602	40,964,321
Staff Claim- Payment	26,733,099	28,809,804
Sundry Expenses	412,113,798	236,873,710
Suppliers Debts	9,689,167	1,934,243
Surveys	2,411,648	2,249,371
Tanzania Union for Industrial and Commercial (TUICO)	682,706	1,500
Tax effect of error correction	144,464	-
Taxes Levied by another Level of Government	21,555,287	7,247,537
Treasury Voucher System (TVCs)	5,000	348,680
Vehicles Insurance	2,524,396	1,766,376
Voluntary Agencies Hospitals(VAHS)	71,444	-
Weights and Measures Instruments	68,293	200,877
Witnesses Expenses	2,018,975	2,952,766
	1,577,946,188	1,510,094,196

45. PROVISION FOR OBSOLETE INVENTORIES

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Provision for write-off of obsolete inventories	6,798,098	4,244,710
	6,798,098	4,244,710

46. SUBVENTIONS TO OTHER GOVERNMENT ENTITIES

These are amounts transferred by the Ministry of Finance and Planning to other government entities through the Parent Ministry.

Upon consolidation, the amounts have been eliminated in full.

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

47. GRANTS, TRANSFERS AND SUBSIDIES ISSUED

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Association for Strengthening Agricultural Research in Eastern and Central Africa	475,781	-
CLAS	26,398	-
Contribution to AFROSAI	56,505	61,450
Contribution to AOCRS	4,470,111	1,935,768
Contribution to Commonwealth Secretariat	572,794	-
Contribution to ESAAG	57,000	-
Contribution to INTOSAI	63,188	41,892
Contribution to UNESCO	140,000	-
Contribution to World Food Programme	200,000	-
Contribution to World Health Organisation	507,844	-
Contributions to African Union (AU)	17,285,534	-
Contributions to UN Organisations	3,175,440	-
Desert Locust Control Organisation East Africa	941,116	-
East African Community (EAC)	34,877,813	318,853
Great Lakes Contributions	2,366,956	3,530,061
Inter Governmental Shipping Organization	958,967	-
Inter Society for Photogrammetry and Remote Sensing	3,888,251	-
International Police Organisation (INTERPOL)	3,338,770	-
International Red Locust Control Organization	300,000	-
International Maritime Organisation	41,151	-
Lake Victoria Fisheries Organization	2,390,345	-
Political Aid	821,169	20,279,088
Pretoria Trading Centre	-	4,064,419
SADC	6,000,000	-
Subscription to other International Institutions	83,234,813	3,903,149
Subscription to Other International Organizations	384,594,194	371,251,808
	<u>550,794,140</u>	<u>360,825,320</u>

48. DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Depreciation of property, plant and equipment (Details in Note 85)	3,003,802,394	2,912,364,701
	<u>3,003,802,394</u>	<u>2,912,364,701</u>

49. DEPRECIATION OF INVESTMENT PROPERTIES

Depreciation of investment properties (Details in Note 84)	11,626,479	10,295,187
	<u>11,626,479</u>	<u>10,295,187</u>

50. AMORTISATION OF INTANGIBLE ASSETS

Amortisation of intangible assets (Details in Note 86)	56,232,154	38,800,203
	<u>56,232,154</u>	<u>38,800,203</u>

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

51. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Impairment of property, plant and equipment (Details in Note 84)

11,662,546	11,036,931
<u>11,662,546</u>	<u>11,036,931</u>

52. IMPAIRMENT OF INTANGIBLE ASSETS

Impairment of intangible assets (Details in Note 86)

52,952	567,404
<u>52,952</u>	<u>567,404</u>

53. IMPAIRMENT OF INVESTMENT PROPERTY

Impairment of investment properties (Details in Note 85)

2,220,680	2,224,162
<u>2,220,680</u>	<u>2,224,162</u>

54. IMPAIRMENT OF RECEIVABLES

Impairment of receivables and prepayments

367,874,397	807,697,104
<u>367,874,397</u>	<u>807,697,104</u>

55. IMPAIRMENT OF LOANS

Impairment of loan Receivable

Loans to third parties

Staff loans

Student loans receivable

32,765,089	43,084,845
12,496,595	23,045,936
-	20,966
1,924,058	-
<u>47,185,742</u>	<u>66,151,747</u>

56. IMPAIRMENT OF GOVERNMENT SECURITIES

Upon consolidation, this has been eliminated in full

57. FAIR VALUE LOSSES ON EQUITY INVESTMENTS

Fair value losses on equity investments

-	100,755,058
<u>-</u>	<u>100,755,058</u>

58. FAIR VALUE LOSSES ON GOVERNMENT SECURITIES

Fair value losses on Government Securities

28,599,175	87,316,555
<u>28,599,175</u>	<u>87,316,555</u>

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

59. FAIR VALUE LOSSES ON INVESTMENT PROPERTIES

Fair value losses on investment properties	-	10,861,896
	<u>-</u>	<u>10,861,896</u>

60. FAIR VALUE LOSSES ON BIOLOGICAL ASSETS

Upon Net off of losses on Biological Assets

61. FAIR VALUE LOSSES ON ACTUARIAL VALUATION OF DEFINED BENEFIT PLANS

Upon Net off Losses on Actuarial Valuation of Defined Benefit Plans

62. FAIR VALUE LOSSES ON FINANCIAL ASSETS

Upon Net off of losses on financial assets

63. FAIR VALUE LOSSES ON MARKETABLE SECURITIES

Fair value losses on marketable securities	-	11,627,624
	<u>-</u>	<u>11,627,624</u>

64. LOSSES ON FOREIGN CURRENCY TRANSLATION

Foreign currency exchange losses	-	34,820,622
	<u>-</u>	<u>34,820,622</u>

65. LOSSES ON DISPOSAL OF ASSETS

Losses on disposal of property, plant and equipment	943,364	3,787,978
	<u>943,364</u>	<u>3,787,978</u>

66. TAX EXPENSES

Upon consolidation, this has been eliminated in full

67. SUBSIDIES AND TRANSFERS

Upon consolidation, this has been eliminated in full

68. REVENUE TRANSFERS TO PMG/CONSOLIDATED FUND

Upon consolidation, this has been eliminated in full.

69. SHARE OF SURPLUS OF ASSOCIATES AND JOINT VENTURES

Share of Surplus of Associates and Joint Ventures	101,106,788	54,175,385
	<u>101,106,788</u>	<u>54,175,385</u>

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

70. CASH AND CASH EQUIVALENT

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Bank of Tanzania (BoT)	5,667,144,640	5,515,240,472
Commercial Foreign currency notes and coins	836,003,015	69,799,621
Commercial Other short term investments (maturity<90 days)	13,333,647	197,849,931
Commercial Short term deposits (maturity < 90 days)	449,157,397	51,856,020
CRDB	-	481,035
DCB	350,004	-
NBC	-	16,466
NMB	-	1,267,853
Tanzania Investment Bank (TIB) - Corporate Bank	20,979,024	53,867,844
Tanzania Investment Bank (TIB) - Development Bank	408,696	13,755,211
Tanzania Postal Bank (TPB)	15,527,684	8,128,385
Tanzania Women's Bank Limited (TWB)	-	2,228
UTT Microfinance (UTT)	363	-
	<u>7,002,904,470</u>	<u>5,912,265,066</u>

71. FIXED DEPOSITS / PLACEMENTS - WITH PRIVATE BANKS

Azania Bank	73,342,780	72,851,117
Bank of Tanzania (BoT)	-	2,788,902
CRDB	66,566,851	66,622,523
DCB	2,649,827	3,741,746
Exim Bank (Tanzania)Ltd	3,837,877	3,063,780
KCB Bank (Tanzania)Ltd	3,837,877	3,063,780
NMB	106,929,225	100,077,205
Tanzania Investment Bank (TIB) - Corporate Bank	4,773,588	(126,863,450)
Tanzania Investment Bank (TIB) - Development Bank	2,838,213	5,676,404
Tanzania Postal Bank (TPB)	1	4,505,345
UTT Microfinance	1,675,232	1,674,539
	<u>266,451,471</u>	<u>137,201,891</u>

72. HOLDINGS OF SPECIAL DRAWING RIGHTS (SDRs)

Assets

Holding of SDRs	20,100,182	67,392,346
	<u>20,100,182</u>	<u>67,392,346</u>

Assets

Holding of SDRs	6,359	21,173
-----------------	-------	--------

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

73. QUOTA IN INTERNATIONAL MONETARY FUND (IMF)

	<u>30-June-2020</u> TZS '000	<u>30-June 2019</u> TZS '000
<u>Assets</u>		
Quota in IMF	1,257,328,887	1,266,185,402
	<u>1,257,328,887</u>	<u>1,266,185,402</u>
	Equivalent SDR '000'	Equivalent SDR '000'
<u>Assets</u>		
Quota in IMF	397,800	397,800
	<u>397,800</u>	<u>397,800</u>

The Tanzania's quota in IMF stood at SDR 397.8 million equivalent to TZS 1,257,328.9 million (2019: SDR 397.8 million equivalent to TZS 1,266,185.4 million). On a quarterly basis, the IMF pays interest (remuneration) to those members who have a remunerated reserve tranche position at the adjusted rate of remuneration. As at 30th June 2020, reserve tranche stood at SDR 59.7 million (2019: SDR 59.7 million) whereas the adjusted rate of remuneration was 0.5 percent (2019: 0.5 percent).

74. FOREIGN CURRENCY MARKETABLE SECURITIES

These are financial assets consisting of foreign currency marketable securities that are internally managed, and portfolio externally managed by the World Bank Treasury under a special program known as Reserve Advisory Management Program (RAMP). Majority of such securities are sovereign issues with a minimum credit rating of AA, bearing fixed interest and specified maturities. The balance of this reserve was as follows:

	<u>30-June-2020</u> TZS '000	<u>30-June 2019</u> TZS '000
Internally Managed Portfolio in Foreign Currency Marketable Securities	5,489,894,595	4,397,172,500
Marketable Securities	684,192,137	638,468,831
Accrued Interest	27,869,057	30,064,397
	<u>6,201,955,789</u>	<u>5,065,705,728</u>

Analysis of foreign currency marketable securities by concentration into sovereign issues, supranational securities and agency securities by fair values:

	<u>30-June-2020</u> TZS '000	<u>30-June 2019</u> TZS '000
Sovereign Issues		
USD	4,507,506,441	3,224,015,008
GBP	708,710,393	645,317,558
AUD	295,587,055	314,452,457
CNY	192,247,838	198,866,960
	<u>5,704,051,727</u>	<u>4,382,651,983</u>
Supranational Securities		
USD	353,051,203	275,010,130
AUD	-	7,123,155
	<u>353,051,203</u>	<u>282,133,285</u>

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Agency Securities		
USD	125,698,450	358,939,298
	125,698,450	358,939,298
Corporate Securities		
USD	19,154,409	41,981,162
	19,154,409	41,981,162
Total Investments		
USD	5,005,410,503	3,878,409,248
GBP	708,710,393	640,145,900
AUD	295,587,055	319,365,074
CNY	192,247,838	197,721,108
Accrued Interest	-	30,064,398
	6,201,955,789	5,065,705,728
75. EQUITY INVESTMENTS		
Opening	1,586,363,048	1,001,788,111
Additional Monetary	46,170,628	2,427,242
Additional Non-Monetary	4,301,502	681,761,601
Transfer	-	1,141,152
Fair value	31,851,100	(100,755,058)
Closing Balance	1,668,686,278	1,586,363,048
76. GOVERNMENT SECURITIES		
Amortised Cost:		
Stocks	-	51,333,308
Treasury bills	2,635,416	7,545,065
Special Treasury bonds	991,590,579	969,336,205
Treasury EPA stock	201,391,122	201,391,122
Accrued interest	34,452,390	28,044,450
	1,230,069,507	1,257,650,150

The Bank of Tanzania holds various government fixed income securities issued by the United Republic of Tanzania Government. Treasury special stocks and bonds are issued at face value, discount or premium. Treasury stocks are issued at a fixed coupon.

Treasury Bills

This represents treasury bills discounted by commercial banks to the Bank. As at 30 June 2020, the value of treasury bills discounted was TZS 2,635.4 million (2019: TZS 7,545.1 million).

Stocks

Advances granted to the Government which were to be repaid at the end of financial year 1994 were converted into five years 25% Special Stock 1993/98 of TZS 42,243.0 million. Thereafter in 1999, the stock plus the earned interest were restructured into two stocks namely 15% Special Treasury Stock 2018/19 with face value of TZS 51,333.3 million. As at June 2020 the value of stock had a nil balance (2019: TZS 51,333.3 million). On its maturity this stock was rolled over to special bond with 6 years' maturity

Special Treasury Bonds

Treasury Special Bonds are long-term instruments issued at fixed coupon for Government financing. The balance includes:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

- (a) Matured stocks that was converted into 5.75% 6-Year Special Bond 2019/2025 and the 10 Year Special Government Bond 2009/19 that matured 2 July 2019 that was rolled over 2 October 2019 into 6% 7 Year Special bond 2019/2026 with face value of TZS 50,000.0 million. The market value of these bonds stood at TZS 37,571.5 million and TZS 34,682.9 million respectively.
- (b) The 10 Year Special Government Bonds 2009/2019 with a face value of TZS 150,000.0 million had partial redemption of TZS 50,000.0 million paid on 3 July 2017 and 1 July 2018 and the reminder balance was rolled over to 5.15% 3 Years special government bond. As at 30 June 2020, the balance stood at TZS 46,490.6 million (2019: TZS 50,000.0 million).
- (c) A 10 Years 8% special bond 2009/19 with face value of TZS 323,000.0 million was issued on 2 June 2009 and is payable semi-annually. Upon its maturity the bond was rolled over and was divided into three maturities of 5 years at coupon of 5.5 percent with market value of TZS 85,504.8 million, 6 years at coupon of 5.75 percent with market value of TZS 84,441.8 million and 7 years at coupon 6.0 percent with market value of TZS 98,225.7 million each interest payable semi-annually. The initial purpose of the two bonds was to bridge Government revenue shortfall mainly attributed to the impact of the global financial crisis.
- (d) The 5-year special bond of TZS 155,000.0 million with floating interest rate based on the prevailing average yield to maturity of 14.92 percent issued by the Government to finance horticultural expansion project in Arusha matured on 28 December 2015. This bond was rolled over upon its maturity and was divided into three bonds as follows TZS 55,000.0 million 2 years' special bond with a coupon of 7.82 percent and TZS 50,000.0 million special bond with a coupon of 8.27 percent matured and repaid and TZS 50,000.0 million special bond with a coupon of 9.18 percent is yet to mature.
- (e) The Government issued a 10-year bond of face value TZS 85,188.8 million which was rolled over from Loan Advances Realisation Trust (LART) Bonds on 30 June 2011. It carries 11.0 percent interest payable semi-annually on 30 June and 31 December.
- (f) On 12 October 2012, the Government issued a 10-Year 2012/2022 Special Bond with face value of TZS 469,484.4 million with coupon of 11.44 payable semi-annually. The bond was issued to replace the accumulated deficit position of the United Republic of Tanzania Government as at 30 June 2012. The bond bears an interest rate of 11.44 percent payable semi-annually.
- (g) The value of Special Bonds as at 30 June 2020 was TZS 991,590.6 million (2019: TZS 969,336.2 million).

Treasury EPA Stock

Treasury EPA Stocks represent External Payment Arrears (EPA) that date back to 1980's when the defunct National Bank of Commerce (NBC) had external commercial obligations that were in arrears for lack of foreign exchange. These were later on transferred to the Bank to facilitate their administration and control. According to the arrangement, the externalisation of EPA obligations was done based on agreed exchange rates. The exchange rate differential between the exchange rate prevailing when the beneficiaries are paid and the agreed rate resulted into exchange losses, which are recoverable from the Government. Funding of the resulting obligations was obtained through issuance of EPA stocks.

The Government effective from 01 August 2008 reissued two EPA Special Stocks namely EPA Special Stock 2002/2052 and EPA Special Stock 2005/2055 with values of TZS 4,352.8 million and TZS 65,646.1 million and replaced them with EPA Special Stock 2008/18 and EPA Special Stock 2008/23 respectively. Their tenures were reviewed from 50 years and 55 years to 10 years and 15 years with annual coupons of 7.5 percent and 8.0 percent payable semi-annually respectively. The EPA special Stock 2008/18 valued at TZS 4,352.8 matured and was repaid. Furthermore, on 1 August 2008 the Government issued EPA Special Stock with face value of TZS 135,745.1 million to accommodate external payment arrears exchange losses incurred up to 31 December 2007. The stock has a maturity of 20 years with annual coupon of 8.5 percent payable semi-annually. As at 30 June 2020, the aggregate position of Special EPA stocks stood at TZS 201,391.1 million (2019: TZS 201,391.1 million).

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

77. RECEIVABLES

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Fees, fines, penalties and licenses	227,034,689	174,331,697
Impairment of Receivable and Prepayment	(1,219,647,101)	(851,772,704)
Levies	77,108,346	83,251,606
Other receivables	4,196,954,678	2,528,147,915
Receivables from exchange transactions	1,498,228,974	1,271,805,439
Social contributions	612,443,251	590,527,928
Staff advances and imprest	57,746,092	56,313,492
Tax revenue receivables (For TRA)	4,309,838,019	2,131,459,949
	9,759,706,948	5,984,065,322

78. LOANS RECEIVABLES

Impairment of loan Receivable	(85,406,890)	(38,221,148)
Loans to third parties	4,360,964,409	3,862,366,133
Staff loans	651,278,180	309,980,671
Student's Loan	4,768,022,077	4,510,786,814
	9,694,857,776	8,644,912,470

79. PREPAYMENTS

Prepayment-Asset	2,143,667,708	1,506,522,285
Prepayments	671,790,879	1,044,973,098
	2,815,458,587	2,551,495,383

80. INVENTORIES

Provision for obsolete stock	(20,972,190)	(2,747,490)
Agricultural Chemical	8,382,016	13,699,755
Books	15,387,457	54,635,707
Building materials and equipment	17,383,387	16,494,916
Cleaning supplies	1,144,309	1,772,151
Computer supplies and accessories	2,937,986	4,260,568
Election goods	305,185	3,641
Election Materials/goods	10,652	11,530
Finished goods	149,143,116	796,230,841
Food Stuffs	26,601,788	1,383,092
Fuel	8,651,367	11,594,567
Goods in transit	189,568	362,709
Laboratory Equipment and Instruments	11,231,274	6,222,562
Land/Plots for sale	386,849,561	382,698,133
Library Books	2,925,134	1,648,606
Loose tools	6,087,501	4,803,430
Medical supplies	73,648,963	89,515,098
Non Cash Inventories	213,879	214,444
Office consumables (Stationaries, etc)	279,266,770	77,967,683
Other Chemicals	1,762,776	967,273
Productive Livestock	1,863,293	1,837,546
Provision for write-off of obsolete inventories	(5,132,577)	(22,045,738)
Raw materials	55,606,500	35,053,243
Spare parts	81,256,722	75,147,094
Spareparts - Currency Machine	16,322,223	9,544,466
Work in progress	332,732,794	317,703,479
	1,453,799,454	1,878,979,306

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

81. DEFERRED CURRENCY COST

This account represents direct cost relating to notes printing and coins minting held by the Bank. During financial year 2019/20, the movement on deferred currency cost account was as follows:

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Balance as at the beginning of the year	41,375,635	87,832,613
Add: Cost of currency received during the year	45,934,702	1,348,662
Less: Cost of currency issued in circulation	<u>(53,275,320)</u>	<u>(47,805,640)</u>
Balance as at the end of the year	<u>34,035,017</u>	<u>41,375,635</u>
82. OTHER FINANCIAL ASSETS		
Advances to related parties	-	83,331
Other financial asset	<u>186,499,117</u>	<u>604,925,874</u>
	<u>186,499,117</u>	<u>605,009,205</u>
83. ESCROW ACCOUNTS		
Escrow accounts	<u>149,780,547</u>	<u>149,323,286</u>
	<u>149,780,547</u>	<u>149,323,286</u>
84. RETIREMENT BENEFIT ASSETS		
Retirement Benefit Assets	<u>12,102,386</u>	<u>16,841,551</u>
	<u>12,102,386</u>	<u>16,841,551</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

85. INVESTMENT PROPERTY

	Cost								Accumulated Depreciation and Impairment								Carrying Value
	At 01 July TZS '000	Additions (monetary) TZS '000	Additions (non- monetary) TZS '000	Transfers TZS '000	Revaluation Adjustments TZS '000	Adjustments TZS '000	Disposal TZS '000	At 30 June TZS '000	At 01 July TZS '000	Charge during the year - Depreciation TZS '000	Charge during the year - Impairment TZS '000	Revaluation Adjustments TZS '000	Adjustments TZS '000	Transfers TZS '000	Disposal TZS '000	At 30 June TZS '000	At 01 July TZS '000
30 JUNE 2020																	
Commercial Buildings	5,736,335,763	38,654,819	84,763,445	(2,071,620)	310,534,629	302,288,383	(73,386)	6,470,432,033	35,146,959	5,184,318	2,146,092	-	203,602	(578,983)	-	42,101,988	6,428,330,045
Land for Capital Appreciation	317,575,908	-	-	(801,741)	-	(122,145,809)	-	194,628,358	96,135	32,045	-	-	-	-	-	128,180	194,500,178
Other investment property	1,131,456,870	11,719,715	50,025,548	(9,141,429)	48,363,831	312,622	-	1,232,737,157	17,752,070	6,410,116	74,588	-	(167,992)	-	-	24,068,782	1,208,668,375
Work-In-Progress	34,997,825	168,736	-	-	-	(11,659,209)	-	23,507,352	-	-	-	-	-	-	-	-	23,507,352
	7,220,366,366	50,543,270	134,788,993	(12,014,790)	358,898,460	168,795,987	(73,386)	7,921,304,900	52,995,164	11,626,479	2,220,680	-	35,610	(578,983)	-	66,298,950	7,853,968,685
30 JUNE 2019																	
Commercial Buildings	5,597,613,310	17,155,584	82,302,199	(6,527,124)	-	9,557,265	-	5,700,101,234	28,066,426	2,924,936	2,149,574	-	-	(1,675,652)	-	31,465,284	5,668,635,950
Land for Capital Appreciation	415,899,826	691,266	19,149,500	-	-	(14,561,000)	-	421,179,592	64,090	32,045	-	-	-	-	-	96,135	421,083,457
Other investment property	1,342,824,906	51,334,811	7,929,970	(23,051,414)	1,302,756	(33,898,042)	-	1,346,442,987	11,262,228	7,338,206	74,588	-	-	-	-	18,675,022	1,327,767,965
Work-In-Progress	32,998,626	1,999,199	-	-	-	-	-	34,997,825	-	-	-	-	-	-	-	-	34,997,825
	7,389,336,668	71,180,860	109,381,669	(29,578,538)	1,302,756	(38,901,777)	-	7,502,721,638	39,392,744	10,295,187	2,224,162	-	-	(1,675,652)	-	50,236,441	7,358,993,062

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

30 JUNE 2020	Cost								Accumulated Depreciation and Impairment								Carrying Value
	At 01 July	Additions	Additions	Transfers	Revaluation	Adjustments	Disposal	At 30 June	Charge	Charge	Revaluation	Adjustments	Transfers	Disposal	At 30 June		
	TZS '000	(monetary)	(non-monetary)	TZS '000	adjustments	TZS '000	TZS '000	TZS '000	Depreciation	Impairment	adjustments	TZS '000	TZS '000	TZS '000	TZS '000		
Railway locomotives and rolling stocks	312,329,241	-	-	-	-	-	-	312,329,241	59,483,598	11,901,253	-	-	-	-	71,384,851	240,944,390	
Railways	149,932,632	-	-	-	-	-	-	149,932,632	24,738,102	3,879,711	-	-	-	-	28,617,813	121,314,819	
Rescue and Fire Engines/Vehicles	5,202,897	-	-	-	-	-	(3,202,248)	2,000,649	1,032,119	188,365	-	-	(33,283)	(539,116)	648,085	1,352,564	
Road cleaning and clearing equipment	12,030,564	-	-	-	-	-	-	12,030,564	2,392,954	49,192	-	-	-	-	2,442,146	9,588,418	
Roads	17,492,495,925	368,151,113	1,411,545,294	(67,788,580)	-	(10,157,266)	(2,223,341)	19,192,023,145	2,778,669,264	1,351,390,875	-	12,296,204	(22,250,876)	(19,651,689)	4,100,453,778	15,091,569,367	
Schools, laboratories and facilities	764,120,696	23,024,554	34,780,895	(862,247)	1,715,872	2,011,053	-	824,790,823	109,566,854	11,427,964	129,881	(9,646,613)	-	-	111,478,086	713,312,737	
Scientific Equipment	12,082,967	1,825,614	-	-	1,257,795	-	-	15,166,376	4,729,961	1,298,569	-	(533,583)	-	-	5,494,947	9,671,429	
Scientific Instruments and Tools	1,357,321	242,351	-	-	-	-	-	1,599,672	395,980	189,732	-	-	(2,720)	-	582,992	1,016,680	
Security, radio equipment and installations	40,653,005	905,970	-	-	-	-	-	41,558,975	26,037,509	2,446,544	-	-	-	-	28,484,053	13,074,922	
Sewer System	73,527,298	5,770,367	5,202,046	(13,842,152)	-	-	-	70,657,559	11,034,614	2,623,134	-	(128,071)	(1,114,773)	(429,780)	11,985,124	58,672,435	
Ships, boats and ferries	115,787,294	931,473	3,540,106	-	-	(18,851,945)	-	101,406,928	41,817,058	5,837,880	-	(18,438,011)	-	-	29,216,927	72,190,001	
Site preparation	-	-	-	-	752,000	-	-	752,000	-	-	-	-	-	-	-	752,000	
Sound and Public Address Systems	7,903	-	-	-	-	-	-	7,903	3,468	1,511	-	-	-	-	4,979	2,924	
Sport goods	7,722	1,213,146	-	-	-	-	-	1,220,868	618	309	-	-	-	-	927	1,219,941	
State houses, residences, apartments, hotels and restaurants	152,507,577	1,220,725	14,561,744	(2,682,155)	-	(1,379,504)	-	164,228,387	18,526,089	3,048,803	16,059	(339,813)	(485,319)	-	20,765,819	143,462,568	
Storage Equipment	21,521,477	324,311	802,435	-	-	-	-	22,648,223	1,250,496	507,460	-	-	-	-	1,757,956	20,890,267	
Strategic Spares	64,920,200	-	-	-	-	-	-	64,920,200	4,910,820	2,164,380	-	-	-	-	7,075,200	57,845,000	
Survey equipment and installations	218,760	1	-	-	-	-	-	218,761	119,416	21,876	-	-	-	-	141,292	77,469	
Telecommunication, power, navigation and broadcasting vehicles	31,526,510	39,030,775	-	-	-	-	-	70,557,285	18,833,006	7,111,631	-	-	-	-	25,944,637	44,612,648	
Telecommunications buildings and infrastructure	118,724,705	321,080	-	(40,884)	-	-	-	119,004,901	13,854,932	2,226,008	9,858,800	(4,520,042)	(2,419)	-	21,417,279	97,587,622	
Telecommunications infrastructure, networks and equipment	475,098,399	7,611,709	329,000	(5,943)	379,676	(252,133)	-	483,160,708	413,065,481	15,669,155	-	(416,937)	(33,106)	-	428,284,593	54,876,115	
Town houses and apartments	1,114,000	-	-	-	-	-	-	1,114,000	-	-	-	-	-	-	-	1,114,000	
Tractors, Trucks, Trailers, semi-trailers	2,577,505	382,670	-	-	-	18,450	-	2,978,625	654,173	169,192	-	-	-	-	823,365	2,155,260	
Traffic control equipment	41,675	41,115	-	-	-	-	-	82,790	8,334	8,279	-	-	-	-	16,613	66,177	
TV and Radios	84,742	7,143	1,600	-	-	-	-	93,485	23,504	9,260	-	-	-	-	32,764	60,721	
Warehouses	596,836	2,536,507	1,706,562	-	-	-	-	4,839,905	11,937	181,660	-	-	-	-	193,597	4,646,308	
Water System, Wells, Ponds and Water Schemes	1,811,974,747	52,549,617	825,911,967	(608,908,509)	-	(10,842,694)	(31,137,862)	2,039,547,266	240,806,172	82,126,709	404,747	38,756	247,102	(127,568,931)	181,293,846	1,858,253,420	
Work-in-Progress	10,770,657,468	3,849,158,686	193,704,926	(836,000,639)	-	(139,021,744)	(9,761,574)	13,828,737,123	7,325,820	2,042,548	-	-	-	-	9,368,368	13,819,368,755	
	79,213,196,990	5,940,114,380	4,455,019,955		136,711,093	(286,050,323)	(159,918,644)	87,555,238,830	9,526,757,331	3,003,802,394	11,266,867	(26,303,240)	(58,706,972)	(246,600,934)	(52,119,106)	12,158,096,340	75,398,176,874

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	Cost							Accumulated Depreciation and Impairment							Carrying Value		
	At01July TZS'000	Additions(mo netary) TZS'000	Additions(no n-monetary) TZS'000	Transfers TZS'000	Revaluation adjustment s TZS'000	Adjustments TZS'000	Disposal TZS'000	At30June TZS'000	At01July TZS'000	Chargeduringt heyear- Depreciation TZS'000	Chargeduri ngtheyear- Impairment TZS'000	Revaluationa djstments TZS'000	Adjustments TZS'000	Transfers TZS'000		Disposal TZS'000	At30June TZS'000
30 JUNE 2019																	
Roads	17,686,635,173	415,286,677	295,045,229	(64,309,042)	75,793,675	-	(917,847,800)	17,490,603,912	1,450,347,893	1,335,371,630	733	-	(9,671,139)	(4,127,953)	(8,971,436)	2,762,949,728	14,727,654,184
Schools , laboratories and facilities	708,638,994	15,237,894	3,717,479	(4,348,945)	-	(615,075)	-	722,630,347	93,275,024	13,655,857	-	-	(70,438)	(347,916)	-	106,512,527	616,117,820
Scientific Equipment	13,111,959	211,112	-	-	-	(1,257,795)	-	12,065,276	3,623,025	1,095,941	-	2,426	-	-	-	4,721,392	7,343,884
Scientific Instruments and Tools	1,233,864	102,509	27,153	-	-	-	-	1,363,526	255,865	169,783	-	-	-	-	-	425,648	937,878
Security, radio equipment and installations	38,175,896	285,516	2,191,593	-	-	-	-	40,653,005	23,363,130	1,380,055	-	1,323,380	(29,056)	-	-	26,037,509	14,615,496
Sewer System	70,818,032	3,954,818	1,410,459	-	-	-	-	76,183,309	8,360,262	3,870,873	-	-	-	-	-	12,231,135	63,952,174
Ships, boats and ferries	98,556,588	7,760,119	4,614,879	-	4,897,708	-	-	115,829,294	36,763,783	5,111,551	-	-	-	-	-	41,875,334	73,953,960
Sound and Public Adress Systems	7,903	-	-	-	-	-	-	7,903	1,957	1,511	-	-	-	-	-	3,468	4,435
Sport goods	7,722	-	-	-	-	-	-	7,722	309	309	-	-	-	-	-	618	7,104
State houses, residences, apartments, hotels and restaurants	155,227,577	3,675,070	121,179	(6,782,194)	22,300	24,905	-	152,288,837	17,125,976	4,024,722	12,930	-	-	(765,313)	-	20,398,315	131,890,522
Storage Equipment	18,216,462	319,146	3,308,427	-	-	-	-	21,844,035	823,382	427,114	-	-	-	-	-	1,250,496	20,593,539
Strategic Spares	21,224,200	-	43,696,000	-	-	-	-	64,920,200	4,201,820	709,000	-	-	-	-	-	4,910,820	60,009,380
Survey equipment and installations	218,760	-	-	-	-	-	-	218,760	97,540	21,876	-	-	-	-	-	119,416	99,344
Telecommunication, power, navigation and broadcasting vehicles	22,801,559	8,734,045	-	-	-	-	-	31,535,604	15,069,093	3,811,797	-	-	-	-	-	18,880,890	12,654,714
Telecommunications buildings and infrastructure	118,273,359	451,346	-	-	-	-	-	118,724,705	9,965,553	5,029,757	-	-	-	-	-	14,995,310	103,729,395
Telecommunications infrastructure, networks and equipment	444,164,515	4,091,191	30,522,520	-	-	(341,924)	-	478,436,302	398,331,781	14,765,535	-	-	(1,116,652)	(83,513)	-	411,897,151	66,539,151
Town houses and apartments	133,765	-	-	-	-	-	-	133,765	-	-	-	-	-	-	-	-	133,765
Tractors, Trucks,Trailers, semi-trailers	3,932,739	-	496,120	-	-	985,680	-	5,414,539	797,597	127,532	-	-	-	-	-	925,129	4,489,410
Traffic control equipment	41,675	-	-	-	-	-	-	41,675	4,167	4,167	-	-	-	-	-	8,334	33,341
TV and Radios	90,901	6,850	5,090	-	-	-	-	102,841	30,045	11,539	-	-	-	-	-	41,584	61,257
Warehouses	-	596,836	-	-	-	-	-	596,836	-	11,937	-	-	-	-	-	11,937	584,899
Water System, Wells, Ponds and Water Schemes	1,839,503,641	82,258,707	62,944,558	(8,248,952)	308,785	(131,428,957)	(43,913)	1,845,293,869	195,750,986	82,487,956	243,436	-	(20,807)	(1,344,284)	(244,114)	276,873,173	1,568,420,696
Work -in- Progress	7,302,551,350	5,190,228,908	1,120,442,733	(2,643,278,607)	458	(36,886,301)	(231,316)	10,932,827,225	7,325,820	7,325,820	7,325,820	7,325,820	7,325,820	7,325,820	7,325,820	7,325,820	10,925,501,405
	72,087,690,154	7,076,414,941	3,898,594,049		296,290,188	(334,381,023)	(958,499,657)	78,968,617,919	6,788,851,701	2,912,364,701	10,956,713	(2,378,796)	(20,477,047)	(43,678,679)	(35,611,429)	9,610,027,164	69,358,245,224

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

87. INTANGIBLE ASSETS

	Cost								Accumulated Depreciation and Impairment								Carrying Value
	At 01 July TZS '000	Additions (monetary) TZS '000	Additions (non- monetary) TZS '000	Transfers TZS '000	Revaluation Adjustments TZS '000	Adjustments TZS '000	Disposal TZS '000	At 30 June TZS '000	At 01 July TZS '000	Charge during the year - Amortisation TZS '000	Charge during the year - Impairment TZS '000	Revaluation Adjustments TZS '000	Adjustments TZS '000	Transfers TZS '000	Disposal TZS '000	At 30 June TZS '000	At 01 July TZS '000
30 JUNE 2020																	
Computer Software	248,692,541	74,061,532	765,940	(346,815)	-	(26,224)	(4,956)	323,142,018	164,980,957	34,420,886	52,952	(218,771)	405,506	(9,288)	(615)	199,631,627	123,510,391
Other Intangible Assets	283,232,744	1,793,864	236,751	(1,900,399)	-	(363,418)	-	282,999,542	27,163,717	19,997,631	-	-	4,092	(56,198)	-	47,109,242	235,890,300
Research and Development	1,139,916	463,142	32,356	-	-	-	-	1,635,414	594,078	189,864	-	-	-	-	-	783,942	851,472
Right of use of Assets	11,980,731	-	1,005,522	-	-	-	-	12,986,253	205,975	170,350	-	-	-	-	-	376,325	12,609,928
Right to Land Use	-	-	-	-	-	-	-	-	11,090	355,279	-	-	-	-	-	366,369	(366,369)
Work-In-Progress	1,931,876	2,542,615	-	(910,031)	-	-	-	3,564,460	22,691	-	-	-	-	-	-	22,691	3,541,769
	546,977,808	78,861,153	2,040,569	(3,157,245)	-	(389,642)	(4,956)	624,327,687	192,978,508	55,134,010	52,952	(218,771)	409,598	(65,486)	(615)	248,290,196	376,037,491
30 JUNE 2019																	
Computer Software	237,824,817	10,986,769	6,290,798	(206,466)	-	(6,097,784)	-	248,798,134	137,826,505	30,183,508	97,469	-	(2,690,006)	(124,132)	-	165,293,344	83,504,790
Other Intangible Assets	228,743,232	6,871,985	47,526,243	(70,456)	-	(10,982)	-	283,060,022	18,973,747	8,318,769	469,935	-	(180,144)	-	-	27,582,307	255,477,715
Research and Development	1,182,608	230,893	-	-	-	-	-	1,413,501	486,564	107,514	-	-	-	-	-	594,078	819,423
Right of use of Assets	1,313,592	2,311	-	-	-	-	-	1,315,903	17,625	188,461	-	-	-	-	-	206,086	1,109,817
Right to Land Use	-	-	-	-	-	-	-	-	9,139	1,951	-	-	-	-	-	11,090	(11,090)
Work-In-Progress	1,157,693	1,188,353	-	(450,123)	-	-	-	1,895,923	22,691	-	-	-	-	-	-	22,691	1,873,232
	470,221,942	19,280,311	53,817,041	(727,045)	-	(6,108,766)	-	536,483,483	157,336,271	38,800,203	567,404	-	(2,870,150)	(124,132)	-	193,709,596	342,815,671

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

88. BIOLOGICAL ASSETS

	At 01 July TZS '000	Fair value gain/loss less cost to sale - physical changes TZS '000	Fair value gain/loss less cost to sale - price changes TZS '000	Increase - regeneration TZS '000	Increase - purchases (monetary) TZS '000	Increase (non- monetary grant) TZS '000	Decrease - sales TZS '000	Decrease - harvest TZS '000	Decrease - distribution TZS '000	Decrease - degeneration TZS '000	Other Changes TZS '000	Total TZS '000	Consumable or Bearer?		Mature or Immature		For Distribution or For Sale?		
													Consumable	Bearer	Mature	Immature	Held for distribution at no charge or nominal charge	Held for Sale	
													TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	
30 JUNE 2020																			
Bees	27,018	-	-	-	-	7,287	(596)	-	-	-	-	33,709	33,709	-	-	-	33,709	-	-
Bushes	1,469,531	-	-	2,100,580	-	-	-	-	-	-	-	3,570,111	2,200,000	1,370,111	3,084,248	485,861	550,000	3,020,109	
Certified Seed	88,526	-	-	-	-	-	-	(88,526)	-	-	-	-	-	-	-	-	-	-	-
Dairy Cattle	8,050,637	601	700	873,630	117,686	850,350	(607,007)	(136,432)	(343)	(191,364)	-	8,958,458	8,958,458	-	608,674	8,349,784	185,435	7,104,106	
Fish	97,549	13,478	-	-	-	-	-	(395)	(16)	-	-	110,616	110,616	-	50,046	60,570	73,862	36,754	
Fruit Trees	1,267,187	37,610	-	1,599,970	5,486	9,000	-	-	-	(130)	-	2,919,123	-	2,919,123	1,302,300	1,616,823	1,111,474	1,807,649	
Livestock	4,438,337	238,044	465	93,889	-	64,070	(276,845)	(13,180)	-	(24,200)	-	4,520,580	4,520,580	-	3,095,880	1,425,200	2,276,095	1,760,485	
Pigs	216,895	740	-	37,455	260	5,795	(48,485)	(13,000)	-	(14,950)	-	184,710	184,710	-	74,350	110,361	82,669	102,042	
Poultry	300,746	-	-	90,531	-	3,200	(8,075)	(1,760)	-	(210)	-	384,432	100,000	284,432	148,298	236,134	238,009	146,423	
Rabbits	3,879	-	-	770	-	-	-	-	-	(270)	-	4,379	4,379	-	1,630	2,749	-	4,379	
Sheep	124,808	-	1,150	27,730	2,340	19,740	(16,080)	(1,320)	-	(19,375)	-	138,993	138,993	-	138,993	-	-	138,993	
Shrubs	6,391,517	-	-	339,586	-	-	-	(15,300)	-	(300)	-	6,715,503	6,715,503	-	6,715,503	-	-	6,715,503	
Trees in Plantation Forest	97,243,967	7,221,539	75,716	3,006	47,510	16,313,554	(94,882)	(72,160)	-	(3,614,556)	-	127,699,077	102,570,749	25,128,368	46,484,255	81,214,822	91,783,138	35,915,939	
Vines	299,546	-	-	510	-	62,000	-	-	-	-	-	362,056	-	362,056	302,256	59,800	62,000	300,056	
	120,020,143	7,512,012	78,031	5,167,657	173,282	17,334,996	(1,051,970)	(253,547)	(88,885)	(3,865,355)	-	155,601,748	118,822,155	36,779,593	62,009,642	93,592,106	98,515,599	57,086,149	
30 JUNE 2019																			
Bees	8,160	-	-	-	-	19,782	(924)	-	-	-	-	27,018	-	-	-	-	-	-	-
Bushes	2,091,117	-	-	40	-	-	(512,756)	-	-	(108,870)	-	1,469,531	-	534,248	534,248	-	-	534,248	
Certified Seed	91,743	250	-	-	-	-	(3,467)	-	-	-	-	88,526	-	-	-	-	-	-	-
Dairy Cattle	6,840,550	21,800	24,000	2,042,078	104,705	120,829	(800,990)	(147,250)	-	(155,085)	-	8,050,637	59,540	544,800	563,590	40,750	-	6,269,595	
Fish	97,549	-	-	-	-	-	-	-	-	-	-	97,549	-	-	-	-	-	-	-
Fruit Trees	1,533,869	60,745	-	1,572	-	-	(328,399)	(600)	-	-	-	1,267,187	2,649	36,734	37,869	1,514	-	39,383	
Livestock	4,199,614	143,117	8,500	122,545	3,300	7,000	(23,290)	(3,610)	-	(16,900)	-	4,440,276	13,230	5,277	15,136	3,370	-	174,507	
Pigs	207,622	-	3,800	29,215	18,225	12,478	(30,250)	(12,235)	-	(11,960)	-	216,895	4,710	73,940	74,870	3,780	-	103,617	
Poultry	310,191	-	-	599	-	2,268	(5,918)	(4,544)	-	(1,850)	-	300,746	1,510	43,558	45,068	-	-	45,068	
Rabbits	1,749	-	-	170	-	2,530	-	(350)	-	(220)	-	3,879	-	280	280	-	-	280	
Sheep	103,918	1,150	150	35,240	-	5,280	(13,690)	(1,730)	-	(5,510)	-	124,808	1,010	1,725	1,485	1,250	-	91,225	
Shrubs	6,346,155	10,269	-	44,894	-	1,877	-	(9,914)	-	(1,764)	-	6,391,517	11,274	6,328,289	6,325,847	13,716	-	6,339,563	
Trees in Plantation Forest	93,268,144	3,743,914	90,887	1,813,811	-	22,841	(10,450)	(3,460)	(45,360)	(25,231)	-	98,855,096	268,600	37,023,661	37,229,814	314,448	731,680	12,136,481	
Vines	290,413	-	-	9,133	-	-	-	-	-	-	-	299,546	-	299,547	299,547	-	-	299,547	
	115,390,794	3,981,245	127,337	4,099,297	126,230	194,885	(1,730,134)	(183,693)	(45,360)	(327,390)	-	131,809,443	362,523	44,892,059	45,127,754	378,828	731,680	26,033,514	

89. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

30-June-2020	At 01 July	Additional investment (monetary)	Additional investment (non-monetary)	Share of surplus / (deficit)	Dividend declared and received	Dividend declared but not received	Disposal of Investment	Other Adjustments	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Airtel (T) Limited	(367,219,600)	-	-	-	-	-	-	-	(367,219,600)
Aluminium Africa (ALAF) Limited	27,781,574	-	-	-	-	-	-	-	27,781,574
Chinese Tanzania Joint Shipping Co. Limited	-	-	-	-	-	-	-	-	-
Datel Tanzania Limited	(235,502)	-	-	-	-	-	-	-	(235,502)
East African Cables (T) Limited	6,521,083	-	-	-	-	-	-	-	6,521,083
InFlight Catering Services Co. Ltd	1,760,522	-	-	-	-	-	-	-	1,760,522
Kariakoo Market corporation	42,916,349	-	-	-	-	-	-	-	42,916,349
Keko Pharmaceuticals Limited	3,745,882	-	-	-	-	-	-	-	3,745,882
Kilombero Sugar Co. Limited	30,407,157	-	-	-	-	-	-	-	30,407,157
Mbeya Cement Co. Limited	13,595,474	-	-	-	-	-	-	-	13,595,474
Mbinga Coffee Curing	4,427,343	-	-	-	-	-	-	-	4,427,343
Mbozi Coffee Curing	3,244,357	-	-	-	-	-	-	-	3,244,357
Moshi Leather Company	866,156	-	-	-	-	-	-	-	866,156
National Microfinance Bank (NMB)	371,059,600	-	-	-	-	-	-	-	371,059,600
NBC BANK LTD	80,425,400	-	-	-	-	-	-	-	80,425,400
New Africa Hotel	206,384	-	-	-	-	-	-	-	206,384
Other Associates	973,990,563	-	-	-	-	-	-	-	974,476,563
PUMA	82,514,100	-	-	-	-	-	-	-	-
SUMA JKT ANIT ASFALT	2,172,863	-	-	-	-	-	-	-	2,172,863
TANELEC Limited	6,490,521	-	-	-	-	-	-	-	6,490,521
Tanganyika Planting Co.(TPC)	40,032,155	-	-	-	-	-	-	-	40,032,155
Tanscan Timber Co. Limited	(104,321)	-	-	-	-	-	-	-	(104,321)
Tanzania Development Finance Company Ltd(TDFL)	(4,558,400)	-	-	-	-	-	-	-	(4,558,400)
Tanzania Pharmaceuticals Limited	9,265,437	-	-	-	-	-	-	-	9,265,437
Tanzania Zambia Railway Authority (TAZARA)	-	-	-	-	-	-	-	-	-
Tanzania-China Friendship Textile Co.	8,995,785	-	-	-	-	-	-	-	8,995,785
TAZAMA Pipelines Limited	413,125	-	-	-	-	-	-	-	413,125
TIPER	-	-	-	-	-	-	-	-	-
Usafiri Dar-es-Salaam (UDA)	93,442,178	-	-	-	-	-	-	-	93,442,178
Williamson Diamond Limited	(58,916,386)	-	-	-	-	-	-	-	(58,916,386)
Arusha Meat (T) Limited	-	-	-	-	-	-	-	-	-
DCB Commercial Bank (DCB)	-	-	-	-	-	-	-	-	-
Darbrew Investment Limited	-	-	-	-	-	-	-	-	-
ETC Cargo Shares	-	-	-	-	-	-	-	-	-
Geo Wind	-	-	-	-	-	-	-	-	-
IPS Building Co. Limited	-	-	-	-	-	-	-	-	-
Katani Limited	-	-	-	-	-	-	-	-	-
Kawe Special Purpose Vehicle	-	-	-	-	-	-	-	-	-
Kigamboni Bridge	-	-	-	-	-	-	-	-	-
Kunduchi Riffle Range SPV	-	-	-	-	-	-	-	-	-
Lake Natron Resources Ltd	-	-	-	-	-	-	-	-	-
Machinjio	-	-	-	-	-	-	-	-	-
Maganga Matitu Resources Co.	-	-	-	-	-	-	-	-	-
Makumbusho	-	-	-	-	-	-	-	-	-
Matinje Gold Company	-	-	-	-	-	-	-	-	-
Mwananchi Gold Company Ltd.	-	-	-	-	-	-	-	-	-
Nairobi Embassy	-	-	-	-	-	-	-	-	-
NHC House Company Limited	-	-	-	-	-	-	-	-	-
Njombe Community Ban	-	-	-	-	-	-	-	-	-
Oysterbay Villa	-	-	-	-	-	-	-	-	-
PPF/DCC Parking Ltd	-	-	-	-	-	-	-	-	-
PPF/NHC Inv. Co Ltd (IPS Bldg)	-	-	-	-	-	-	-	-	-
Sparks Mining & Services	-	-	-	-	-	-	-	-	-
Star Media (Tanzania) Limited	-	-	-	-	-	-	-	-	-
Tancoal Energy	-	-	-	-	-	-	-	-	-
Tandahimba Community Bank	-	-	-	-	-	-	-	-	-
Tanzania Investment Securities	-	-	-	-	-	-	-	-	-
Tanzania Meat Company Ltd	-	-	-	-	-	-	-	-	-
Tanzaniate One	-	-	-	-	-	-	-	-	-
TCCIA Investment Company Ltd	-	-	-	-	-	-	-	-	-
TCIMRL	-	-	-	-	-	-	-	-	-
TCRA and TSN Investment	-	-	-	-	-	-	-	-	-
THB Liquidator	-	-	-	-	-	-	-	-	-
Uganda Avenue	-	-	-	-	-	-	-	-	-
USA River Project SPV	-	-	-	-	-	-	-	-	-
Buckreef Company Limited	-	-	-	-	-	-	-	-	-
Happy Sausage Limited	-	-	-	-	-	-	-	-	-
Ovenco Ranches Limited	-	-	-	-	-	-	-	-	-
Suma Associates	-	-	-	-	-	-	-	-	-
Songas Limited	-	-	-	-	-	-	-	-	-
Advent Constructions Limited	-	-	-	-	-	-	-	-	-
Other Associates	-	-	-	-	-	-	-	-	-
	1,373,239,799	-	-	-	-	-	-	-	1,249,158,032

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

89. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (Continued)

30-June-2019	At 01 July	Additional investment (monetary)	Additional investment (non-monetary)	Share of surplus / (deficit)	Dividend declared and received	Dividend declared but not received	Disposal of Investment	Other Adjustments	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Airtel (T) Limited	(367,219,600)	-	-	-	-	-	-	-	(367,219,600)
Aluminium Africa (ALAF) Limited	27,781,574	-	-	-	-	-	-	-	27,781,574
Chinese Tanzania Joint Shipping Co. Limited	22,530,056	-	-	-	-	-	-	-	22,530,056
Datel Tanzania Limited	(235,502)	-	-	-	-	-	-	-	(235,502)
East African Cables (T) Limited	6,421,083	-	-	-	-	-	-	-	6,421,083
InFlight Catering Services Co. Ltd	1,760,522	-	-	-	-	-	-	-	1,760,522
Kariakoo Market corporation	42,916,349	-	-	-	-	-	-	-	42,916,349
Keko Pharmaceuticals Limited	3,745,882	-	-	-	-	-	-	-	3,745,882
Kilombero Sugar Co. Limited	30,407,157	-	-	-	-	-	-	-	30,407,157
Mbeya Cement Co. Limited	13,595,474	-	-	-	-	-	-	-	13,595,474
Mbinga Coffee Curing	4,427,343	-	-	-	-	-	-	-	4,427,343
Mbozi Coffee Curing	3,244,357	-	-	-	-	-	-	-	3,244,357
Moshi Leather Company	866,156	-	-	-	-	-	-	-	866,156
National Microfinance Bank (NMB)	371,059,600	-	-	-	-	-	-	-	371,059,600
NBC BANK LTD	80,558,131	-	-	-	-	-	-	-	80,558,131
New Africa Hotel	206,384	-	-	-	-	-	-	-	206,384
Other Associates	1,040,827,119	-	-	-	-	-	-	-	1,040,827,119
PUMA	82,514,100	-	-	-	-	-	-	-	82,514,100
SUMA JKT ANIT ASFALT	1,600,000	-	-	-	-	-	-	-	1,600,000
TANELEC Limited	-	-	-	-	-	-	-	-	-
Tanganyika Planting Co.(TPC)	41,239,870	-	-	-	-	-	-	-	41,239,870
Tanscan Timber Co. Limited	(104,321)	-	-	-	-	-	-	-	(104,321)
Tanzania Development Finance Company Ltd(TDFL)	(4,558,400)	-	-	-	-	-	-	-	(4,558,400)
Tanzania Pharmaceuticals Limited	9,265,437	-	-	-	-	-	-	-	9,265,437
Tanzania Zambia Railway Authority (TAZARA)	371,195,000	-	-	-	-	-	-	-	371,195,000
Tanzania-China Friendship Textile Co.	1,320,035	-	-	-	-	-	-	-	1,320,035
TAZAMA Pipelines Limited	413,125	-	-	-	-	-	-	-	413,125
TIPER	(572,956,263)	-	-	-	-	-	-	-	(572,956,263)
Usafiri Dar-es-Salaam (UDA)	95,253,750	-	-	-	-	-	-	-	95,253,750
Williamson Diamond Limited	(58,916,386)	-	-	-	-	-	-	-	(58,916,386)
	1,249,158,032	-	-	-	-	-	-	-	1,249,158,032

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

89. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (Continued)

ASSETS, LIABILITIES, REVENUES AND EXPENSES OF ASSOCIATES AND JOINT VENTURES

Entity Name	30-June-2020						Entity Name	30-June-2019					
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss)		Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss)
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000		TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
ETC Cargo Shares	1,703,307	76,371,784	(16,450,261)	(31,823,325)	10,042,535	160,616	ETC Cargo Shares	1,703,307	76,371,784	(16,450,261)	(31,823,325)	10,042,535	160,616
Tancoal Energy	10,207,569	20,588,991	(31,206,499)	35,952,089	37,028,754	(6,292,850)	Tancoal Energy	10,207,569	20,588,991	(31,206,499)	35,952,089	37,028,754	(6,292,850)
TCIMRL	34,725,638	88,281,522	(164,440,668)	(41,433,508)	-	(7,034,000)	TCIMRL	34,725,638	88,281,522	(164,440,668)	(41,433,508)	-	(7,034,000)
Happy Sausage Limited	1,500,374	6,806,191	(443,219)	6,115,772	-	(305,781)	Happy Sausage Limited	1,500,374	6,806,191	(443,219)	6,115,772	-	(305,781)
Advent Constructions Limited	-	152,002	-	-	-	-	Advent Constructions Limited	-	152,002	-	-	-	-
	48,136,888	192,200,490	(212,540,647)	(31,188,972)	47,071,289	(13,472,015)		48,136,888	192,200,490	(212,540,647)	(31,188,972)	47,071,289	(13,472,015)

90. INVESTMENTS IN SUBSIDIARIES

	30-June-2020							
	At 01 July	Additional investment (monetary)	Additional investment (non-monetary)	Profit for the year	Increase in Other reserves	Disposal of Investment	Less: Minority Interest	At 30 June
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
APC Investment Limited (JV between NBAA and GEPF)	18,189,132	-	-	-	-	7,032,872	-	11,156,260
Azania Bank Limited	41,119,505	-	54,074,104	-	-	-	-	95,193,609
International House Property Limited	36,633,001	-	-	-	-	5,874,000	-	30,759,001
Karanga leather Industry Co.	10,951,275	-	60,320,058	-	-	-	-	71,271,333
Msamvu Properties Limited	40,138,000	-	-	-	-	23,445,610	-	16,692,390
Mwanza Commercial Complex	75,181,000	-	13,021,268	-	-	-	-	88,202,268
Mzizima Properties Limited	600,000	-	-	-	-	278,519	-	321,481
Pension Properties Limited	43,666	-	-	-	-	-	-	43,666
Tanzania Merchantile Exchange (TMX)	-	-	411,021,450	-	-	-	-	411,021,450
UTT	143,872,179	-	11,413,265	-	-	-	-	155,285,444
Watumishi Housing LTD	38,094,559	-	-	-	-	24,511,987	-	13,582,572
TOTAL	404,822,317	-	549,850,145	-	-	61,142,988	-	893,529,474

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

91. INVESTMENTS IN LOCAL GOVERNMENT LOANS BOARD (LGLB)

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Investment in LGLB	-	-
	<u>-</u>	<u>-</u>

These are investments made by Local Government Authorities (LGAs) to the Local Government Loans Board (LGLB). Upon consolidation, the amounts have been eliminated in full.

92. NON-CURRENT ASSETS HELD FOR SALE

Acquisition of land	-	165,907
Buses, minibuses and vans	-	4,288
Farm Structures	73,969	144,942
Gardening equipment and machinery	55,150	65,400
Generators	11,692	-
Hardware: servers and equipment (incl. desktops, laptops, UPS etc.)	-	1,603
Machinery and equipment other than transport equipment - WIP	8,144	8,144
Motor Vehicles (Administrative)	2,649,324	3,058,053
Motorbikes, Motor cycles and bicycles	197,608	196,633
Office Furniture and Fittings	33,783	17,486
Other equipment and installations	2,305,029	2,336,529
Other Office equipment	1,708,382	1,708,382
TV and Radios	-	11,000
Water System, Wells, Ponds and Water Schemes	14,368	14,893
	<u>7,057,449</u>	<u>7,733,260</u>

93. PAYABLES AND ACCRUALS

Routine repair and maintenance paid	97,895,279	138,586,162
Social Benefits	18,189,281	172,745,935
Supplies and consumables paid	4,563,252,828	4,958,968,264
Wages, Salaries and Employee Benefits	610,982,954	534,483,746
Construction Wip	956,632,250	1,202,338,581
Defined Contribution Scheme	9,630,497	10,530,227
Finance Cost	403,652,810	284,880,243
Other Payables	4,392,534,172	4,64,800,758
Tax Deposits	75,405,078	58,078,252
Tax Payable	1,016,784,083	1,516,092,777
Tax received in Advance	68,664,266	183,511,652
Tax Refunds	249,898,936	246,631,209
	<u>12,463,522,434</u>	<u>13,371,647,806</u>

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

94. CURRENCY IN CIRCULATION

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Notes		
Notes issued	7,664,544,958	7,167,655,666
Less: Notes in Custody	(2,571,256,561)	(2,322,461,862)
Notes in Circulation	<u>5,093,288,397</u>	<u>4,845,193,805</u>
Coins		
Coins issued	161,136,567	155,016,323
Less: Coins in Custody	(29,104,144)	(35,007,569)
Coins in Circulation	<u>132,032,423</u>	<u>120,008,754</u>
Total currency in circulation	<u><u>5,225,320,820</u></u>	<u><u>4,965,202,559</u></u>

Currency in circulation represents the face value of notes and coins in circulation. Notes and coins held by the Bank as cash in main vault, intermediary vault and cashier/teller at the end of financial year have been deducted from notes and coins issued to reflect actual liability for notes and coins in circulation.

The notes and coins in circulation figure of TZS 5,225,320.8 million (2019: TZS 4,965,202.6 million) includes banknotes that were phased out in 2003 with the face value of TZS 99,386.9 million (2019: TZS 99,386.9 million) still in circulation.

95. DEPOSITS – BANKS AND NON-BANKS FINANCIAL INSTITUTIONS

Clearing	23,664,688	-
Current accounts	639,921,211	599,739,628
Deposits and balances due to other banks	(1,368,274,785)	(926,863,731)
Fixed deposits	37,391,241	(126,932,052)
Savings accounts	222,651,799	208,840,819
Special deposits	680,486,304	274,433,024
	<u>235,840,458</u>	<u>29,217,688</u>

96. DEPOSIT FROM GOVERNMENTS

Deposits from Revolutionary Government of Zanzibar	-	-
	<u>-</u>	<u>-</u>

97. DEPOSITS – OTHERS

Bank drafts issued	560,510	481,286
Debt Conversion Scheme	2,098,960	2,098,960
Debt Service cash cover	1,937,640	2,286,170
Deposit Insurance Fund	60,528,720	4,219,043
Deposit staff	32,905,563	19,670,609
Economic Empowerment Programme	2,019,005	2,019,005
Export Credit Guarantee Fund	5,583,373	192,442
Government obligations settlements	33,063,456	105,147,651
Miscellaneous deposits	1,012,806,318	1,445,735,364
Mwalimu Julius K Nyerere Memorial Scholarship Fund	931,054	62,104
Other Funds	2,402,346,323	1,469,811,014
Redemption of Government Stock/Bonds	38,610	442,012
Small and Medium Enterprises Guarantee Fund	1,496,712	271,173
	<u>3,556,316,244</u>	<u>3,052,436,833</u>

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

98. FOREIGN CURRENCY FINANCIAL LIABILITIES

Foreign currency financial liabilities consist of the following:

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Special projects	1,346,115,508	841,851,320
Other foreign currency deposits	36,838,811	47,989,654
Multilateral Debt Relief Initiative Fund	18,282,535	18,219,112
Non-Paris Club Liabilities Escrow	11,253,548	11,196,862
	1,412,490,402	919,256,948

Special Projects Funds:

These are United Republic of Tanzania Government funds received from donors for financing various Government projects. The projects are managed and monitored by the Ministry of Finance and Planning or other appointed project implementation agency. As at 30 June 2020, the total balance in respect of Special Project accounts aggregated to TZS 1,346,115.5 million (2019: TZS 841,851.3million).

Non Paris Club Liabilities Escrow:

This account represents funds deposited by the United Republic of Tanzania Government under memorandum of economic and financial policies arrangement pending agreement with the relevant group of non-Paris creditors. As at 30 June 2020, the account had a balance of TZS 11,253.5 million (2019: TZS 11,196.8 million).

Multilateral Debt Relief Initiative Funds:

Multilateral debt initiative funds relate to debt relief relating to cancellation of Government of the United Republic of Tanzania indebtedness to the IMF under the IMF-Multilateral Debt Relief Initiative (MDRI). As at 30 June 2020, the fund had a balance amounting to TZS 18,282.5 million (2019: TZS 18,219.1 million).

99. INTERNATIONAL MONETARY FUND (IMF) RELATED LIABILITIES

	30-June-2020	30-June 2019
	TZS '000	TZS '000
Liabilities		
IMF Account No. 1	1,068,544,503	1,076,071,239
IMF Account No. 2	11,046	11,125
Poverty reduction and growth facility	26,198,739	130,856,840
	1,094,754,288	1,206,939,204

	Equivalent SDR '000'	Equivalent SDR '000'
Liabilities		
IMF Account No. 1	338,071	338,071
IMF Account No. 2	3	3
	338,074	338,074

100. ALLOCATION OF SPECIAL DRAWING RIGHTS (SDRs)

	30-June-2020	30-June 2019
	SDR '000	SDR '000
Allocation of SDRs	602,150,585	606,392,081
	602,150,585	606,392,081

	Equivalent SDR '000'	Equivalent SDR '000'
Allocation of SDRs	190,511	190,527

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

101. BORROWING (PUBLIC DEBTS)

	<u>30-June-2020</u> TZS '000	<u>30-June 2019</u> TZS '000
EXTERNAL DEBT PORTFOLIO		
International organisations		
International Development Association-IDA	17,700,783,185	16,182,475,410
African Development Fund - ADF	4,918,819,412	4,617,332,476
African Development Fund - ADB	382,438,749	250,932,669
Nigeria Trust Fund-AGTF	33,642,617	-
Organisation of Petroleum Exporting Countries-OPEC	187,914,732	166,473,737
International Fund for Agricultural Development-IFAD	575,259,284	563,303,725
Nordic Development Fund-NDF	47,930,462	50,899,436
European Investment Bank-EIB	219,909,991	181,275,440
The Arab Bank for Economic Devel in Africa-BADEA	109,993,962	103,326,945
	<u>24,176,692,394</u>	<u>22,116,019,839</u>
Bilateral Creditors -Paris Club Members		
Spain	942,844	1,836,036
Russia	18,941,218	22,030,680
Belgium	7,476,656	-
Japan International Cooperation Agency-JICA	1,144,794,975	1,116,395,516
France	300,418,684	243,339,159
Austria	1,568,401	1,811,502
	<u>1,474,142,776</u>	<u>1,385,412,893</u>
Bilateral Creditors - Non Paris club members		
China	237,997,681	244,277,376
Libya	142,369,992	141,935,715
Iran	1,407,600,042	1,312,330,889
Angola	12,714,554	12,596,785
Romania	271,085	267,823
India	37,266,697	36,904,406
Kuwait	160,916,184	136,850,241
Saud Arabia	37,913,970	38,057,411
United Arab Emirates-U.A.E	48,725,894	53,453,687
Iraq	1,052,714,316	980,796,624
Polland	160,233,656	126,404,692
	<u>3,298,724,071</u>	<u>3,083,875,648</u>
Export - Import Credits		
Export - Import Bank of Korea - EXIM Korea	866,432,389	800,090,251
Export - Import Bank of China- EXIM China	3,959,800,017	4,136,234,480
Export - Import Bank of India- EXIM India	946,478,061	875,741,417
Uni Credit Austria	13,993,403	14,068,274
AB Svensk Export Kredit	10,153,612	8,227,293
Cogefar-Impresit	13,172,478	13,132,297
Intersomer S.P.A.	4,124,283	4,111,703
Mogurt Hungarian Trading Company M/Vehic	4,964,379	4,949,236
	<u>5,819,118,622</u>	<u>5,856,554,951</u>
Commercial credits		
Danske Bank of Denmark	42,813,391	67,445,107
ING Bank of Netherlands	39,712,541	50,076,342
Hong Kong and Shangai Bank Corporation (HSBC)	610,272,727	686,452,467
Standard Bank of South Africa (STANBC RSA)	-	314,854,367
Credit Suisse	2,204,007,767	2,941,551,241
China Development Bank (CDB)	501,976,950	765,049,250
Raiffeisen Bank International AG	15,632,284	15,715,923
Japan Bank for International Cooperation (JBIC)	422,671,614	496,148,989
Eastern &S. African Trade & Dev Bank-TDB	2,307,940,000	460,180,000
Vickers P.L.C.	2,089,414	2,147,555
Standard Chartered Bank	352,902,030	-
	<u>6,500,018,718</u>	<u>5,799,621,242</u>
Total External Debt Outstanding (Debt Stock)	<u>41,268,696,581</u>	<u>38,241,484,572</u>
DOMESTIC DEBT PORTIFOLIO		
Short Term Domestic Instruments: Treasury Bills		
364 Days Treasury Bills	2,236,492,970	3,075,011,130
Government Net Deficit	780,154,647	1,241,649,862
	<u>3,016,647,617</u>	<u>4,316,660,992</u>
Long Term Domestic Instruments		
Stocks		
Government Stocks	252,724,430	252,724,430
	<u>252,724,430</u>	<u>252,724,430</u>
Bonds		
Special Bonds	1,027,673,228	1,027,673,228
Twenty Years Bond	1,570,209,740	400,139,730
Fifteen Years Bond	2,714,676,907	1,900,563,807
Ten Years Bonds	2,872,739,630	2,617,819,430
Seven Years Bonds	1,850,777,410	1,963,740,010
Five Years Bonds	1,575,738,920	1,722,186,220
Two Years Bonds	614,601,070	643,174,870
	<u>12,226,416,905</u>	<u>10,275,297,295</u>
Other Domestic Liabilities		
Tax Reserve and Duty Drawback Scheme	386,365	375,690
NMB Loan	18,342,069	18,342,069
Sub Total Amount	<u>18,728,434</u>	<u>18,717,760</u>
Total Domestic Debt	<u>15,514,517,386</u>	<u>14,863,400,476</u>
Grand Total Public Debt (External & Domestic Debt)	<u>56,783,213,967</u>	<u>53,104,885,049</u>
Less: Eliminations	<u>(5,455,668,455)</u>	<u>(5,186,578,494)</u>
	<u>51,327,545,512</u>	<u>47,918,306,555</u>

101. BORROWINGS (PUBLIC DEBTS) (Continued)

AGE ANALYSIS OF EXTERNAL DEBT: 30-JUNE-2020

	Total	1 Month	1-3 Months	3-12 Months	1- 3 Yrs	3-5 Yrs	Over 5 Yrs
30-June-2020	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
MULTILATERAL CREDITORS							
IDA	17,700,783,185	6,770,907	36,773,159	187,314,184	714,784,541	892,837,527	15,862,302,867
ADF	4,918,819,412	-	644,520	31,877,811	100,845,061	135,073,292	4,650,378,728
ADB	382,438,749	-	21,089,845	58,617,548	50,396,023	50,583,600	201,751,734
AGTF	33,642,617	-	-	13,433,052	4,509,946	4,509,946	11,189,673
OPEC	187,914,732	-	4,400,806	19,383,212	35,470,161	35,470,161	93,190,392
IFAD	575,259,284	1,482,066	2,149,288	16,118,404	46,980,844	46,980,844	461,547,838
NODF	47,930,462	-	948,873	1,572,983	5,096,289	5,553,275	34,759,042
EIB	219,909,991	-	2,325,254	16,272,269	24,511,588	27,172,144	149,628,736
BADE	109,993,962	-	1,662,591	5,306,125	7,423,762	9,296,124	86,305,360
TOTAL	24,176,692,394	8,252,973	69,994,336	349,895,588	990,018,215	1,207,476,911	21,551,054,371
BILATERAL PARIS							
GOES	942,844	-	454,693	454,693	-	-	33,458
GOSU	18,941,218	-	-	3,194,020	6,313,739	6,313,739	3,119,719
GOBE	7,476,656	-	-	560,633	1,121,265	1,121,265	4,673,493
JICA	1,144,794,975	-	4,494,625	15,589,705	52,660,472	64,649,483	1,007,400,690
GOFR	300,418,684	-	-	18,090,818	44,226,716	44,226,716	193,874,434
GOAT	1,568,401	-	-	267,241	762,825	223,900	314,436
GOB	-	-	-	-	-	-	-
TOTAL	1,474,142,776	-	4,949,318	38,157,110	105,085,017	116,535,103	1,209,416,229
BILATERAL NON PARIS							
GOCN	237,997,681	-	-	14,998,253	10,734,291	10,734,291	201,530,846
GOL	142,369,992	-	-	-	-	-	142,369,992
GOI	1,407,600,042	-	-	-	-	-	1,407,600,042
GOA	12,714,554	-	-	-	-	-	12,714,554
GOR	271,085	-	-	-	-	-	271,085
GOIN	37,266,697	-	-	-	-	-	37,266,697
GOKW	160,916,184	-	-	5,401,248	16,287,496	15,877,376	123,350,064
GOSA	37,913,970	-	-	778,948	1,510,518	3,380,598	32,243,905
GOAE	48,725,894	-	-	7,177,882	11,464,478	11,464,478	18,619,057
GOIR	1,052,714,316	-	-	-	-	-	1,052,714,316
GOPL	160,233,656	-	-	-	6,524,406	10,312,534	143,396,716
TOTAL	3,298,724,071	-	-	28,356,331	46,521,189	51,769,276	3,172,077,274
EXPORT- IMPORT CREDIT							
EIBK	866,432,389	-	1,480,315	1,632,069	9,106,716	17,568,888	836,644,401
EIBC	3,959,800,017	135,933,531	4,361,447	183,092,014	646,439,957	646,439,957	2,343,533,111
INEX	946,478,061	-	-	94,813,181	138,653,054	133,510,676	579,501,151
UBA	13,993,403	-	-	-	1,749,175	1,749,175	10,495,052
ABS	10,153,612	-	-	681,440	1,353,281	1,353,281	6,765,610
JIBC	422,671,614	-	-	75,877,980	149,990,858	122,689,897	74,112,878
RBI	15,632,284	-	-	771,944	-	390,807	14,469,533
COGEFAR	13,172,478	-	-	-	-	-	13,172,478
INTS	4,124,283	-	-	-	211,502	211,502	3,701,280
MOGURT	4,964,379	-	-	-	-	-	4,964,379
TOTAL	6,257,422,519	135,933,531	5,841,762	356,868,628	947,504,543	923,914,183	3,887,359,872
COMMERCIAL CREDIT							
DBD	42,813,391	-	3,688,845	20,465,863	8,673,950	-	9,984,733
IBNV	39,712,541	-	2,352,721	5,266,922	10,665,813	10,665,813	10,761,272
HSBC	610,272,727	-	-	108,042,206	212,905,798	125,524,288	163,800,434
SBSA	-	-	-	-	-	-	-
SUIS	2,204,007,767	-	47,498,057	734,805,675	593,470,286	-	828,233,749
CDB	501,976,950	-	134,268,250	116,755,000	69,238,200	-	181,715,500
TDB	2,307,940,000	-	-	291,887,501	769,313,333	769,313,333	477,425,833
VICKERS	2,089,414	-	-	-	-	-	2,089,414
SCB	352,902,030	-	-	-	-	-	352,902,030
TOTAL	6,061,714,820	-	187,807,873	1,277,223,166	1,664,267,380	905,503,435	2,026,912,967
TOTAL EXTERNAL DEBT	41,268,696,581	144,186,504	268,593,289	2,050,500,823	3,753,396,344	3,205,198,907	31,846,820,713

101. BORROWINGS (PUBLIC DEBTS) (Continued)

AGE ANALYSIS OF EXTERNAL DEBT: 30-JUNE-2019

	Total	1 Month	1-3 Months	3-12 Months	1- 3 Yrs	3-5 Yrs	Over 5 Yrs
30-June-2019	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
MULTILATERAL CREDITORS							
IDA	16,182,475,410	6,783,966	24,721,968	132,445,792	517,265,855	1,265,556,964	14,235,700,866
ADF	4,617,332,476	-	431,034	25,739,297	70,838,142	193,463,303	4,326,860,700
ADB	250,932,669	-	-	20,920,989	32,858,811	49,288,217	147,864,652
OPEC	166,473,737	-	4,300,925	18,100,284	48,097,908	70,303,671	25,670,949
IFAD	563,303,725	1,484,925	2,009,887	14,668,897	43,938,053	72,659,314	428,542,648
NDF	50,899,436	-	1,002,370	1,625,754	5,326,979	7,805,443	35,138,890
EIB	181,275,440	2,379,408	-	16,321,829	32,966,105	35,773,518	93,834,580
BADEA	103,326,945	128,174	421,586	5,475,978	15,263,092	28,604,184	53,433,932
TOTAL	22,116,019,839	10,776,473	32,887,771	235,298,820	766,554,945	1,723,454,614	19,347,047,216
BILATERAL PARIS							
Spain	1,836,036	-	451,053	451,053	933,930	-	-
Russia	22,030,680	-	-	3,168,447	6,468,568	9,441,269	2,952,396
Jica	1,116,395,516	-	4,425,507	5,803,466	41,016,417	85,090,234	980,059,892
Brazil	-	-	-	-	-	-	-
France	243,339,159	-	-	16,639,788	71,895,136	87,485,501	67,318,735
Austria	1,811,502	-	-	238,447	607,040	966,015	-
TOTAL	1,385,412,893	-	4,876,560	26,301,201	120,921,091	182,983,019	1,050,331,023
BILATERAL NON PARIS							
Government of China	244,277,376	-	-	21,268,648	-	34,938,334	188,070,393
Government of Libya	141,935,715	-	-	-	-	-	141,935,715
Government of Iran	1,312,330,889	-	-	-	-	-	1,312,330,889
Government of Angola	12,596,785	-	-	-	-	-	12,596,785
Government of Romania	267,823	-	-	-	-	-	267,823
Government of India	36,904,406	-	-	-	-	-	36,904,406
Kuwait	136,850,241	-	-	8,992,229	18,377,663	41,629,004	67,851,345
Saudi Arabia	38,057,411	-	-	771,508	1,576,778	8,191,166	27,517,958
Arab Emirates	53,453,687	-	-	7,120,606	14,552,413	21,218,402	10,562,266
Iraq	980,796,624	-	-	-	-	-	980,796,624
Polland	126,404,692	-	-	-	17,339,936	10,717,482	98,347,274
TOTAL	3,083,875,648	-	-	38,152,991	51,846,790	116,694,388	2,877,181,478
EXPORT- IMPORT CREDIT							
Exim Korea	800,090,251	-	1,447,753	9,874,409	23,402,231	33,831,249	731,534,609
Exim China	4,136,234,480	28,914,664	4,422,337	174,555,257	722,452,758	1,290,041,350	1,915,848,114
Exim India	875,741,417	-	-	48,612,228	197,503,403	400,726,638	228,899,148
Unicredit Austria	14,068,274	-	-	-	-	2,568,769	11,499,504
AB SVENSK	8,227,293	-	-	-	1,480,652	1,983,379	4,763,263
Cogefar - Impresit	13,132,297	-	-	-	-	-	13,132,297
Intersomer S.P.A.	4,111,703	-	-	-	-	316,270	3,795,433
Mogurt Hungarian Trading Company	4,949,236	-	-	-	-	-	4,949,236
TOTAL	5,856,554,951	28,914,664	5,870,089	233,041,894	944,839,043	1,729,467,655	2,914,421,605
COMMERCIAL CREDIT							
Danske Bank	67,445,107	-	3,812,599	21,147,056	33,749,021	8,736,431	-
ING Bank	50,076,342	-	2,641,114	8,053,812	14,386,195	15,666,723	9,328,498
HSBC	686,452,467	-	-	110,830,694	226,467,390	301,120,933	48,033,450
Standard Bank (South Africa)	314,854,367	-	154,425,389	154,425,389	-	-	6,003,589
Creditbuisse	2,941,551,241	-	47,117,763	512,594,268	1,446,695,431	608,260,151	326,883,627
China Development Bank	765,049,250	-	133,193,230	133,193,230	429,639,090	69,023,700	-
Reiffeisen Bank Int	15,715,923	-	-	398,920	1,630,595	2,295,695	11,390,713
JIBIC/SUMITO	496,148,989	-	-	78,144,073	153,669,024	224,289,280	40,046,613
Eastern & Southern African Trade & Development Bank	460,180,000	-	-	-	-	460,180,000	-
Vickers P.L.C.	2,147,555	-	-	-	-	-	2,147,555
TOTAL	5,799,621,242	-	341,190,095	1,018,787,442	2,306,236,746	1,689,572,914	443,834,045
TOTAL EXTERNAL DEBT	38,241,484,572	39,691,137	384,824,514	1,551,582,348	4,190,398,615	5,442,172,589	26,632,815,368

101. BORROWINGS (PUBLIC DEBTS) (Continued)

AGE ANALYSIS OF DOMESTIC DEBT – BEFORE ELIMINATIONS

Instrument Name: 30-June-2020	Debt Stock	Up To 1 Month	>1 - 3 Months	>3 - <=12 Months	> 1 Year <= 5	> 5 Year
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
364 Days Treasury Bills	2,236,492,970	202,041,610	430,333,310	1,604,118,050	-	-
Two Year Bonds	614,601,070	-	18,876,070	151,669,300	444,055,700	-
Five Year Bond	1,575,738,920	38,861,700	-	183,774,900	1,353,102,320	-
Seven Year Bond	1,850,777,410	-	15,067,400	198,533,100	1,357,746,810	279,430,100
Ten Year Bond	2,872,739,630	-	16,000,000	135,625,000	754,644,800	1,966,469,830
Fifteen Year Bond	2,714,676,907	-	-	-	-	2,714,676,907
Twenty Year Bond	1,570,209,740	-	-	-	-	1,570,209,740
Special Bonds	1,027,673,228	-	-	-	904,673,228	123,000,000
Stock	252,724,430	-	-	-	116,979,359	135,745,070
Duty Draw Back Scheme	44,643	-	-	-	44,643	-
Tax Reserve Certificate	341,722	-	-	-	341,722	-
Government Overdraft Position	780,154,647	-	-	780,154,647	-	-
Nmb Loan	18,342,069	-	-	-	18,342,069	-
GRAND TOTAL	15,514,517,386	240,903,310	480,276,780	3,055,377,327	4,949,930,652	6,789,531,647
Instrument Name: 30-June-2019						
364 Days Treasury Bills	3,075,011,130	211,677,690	547,924,550	2,315,408,890	-	-
Two Year Bonds	643,174,870	96,568,600	84,142,000	291,918,900	170,545,370	-
Five Year Bond	1,722,186,220	39,412,900	62,000,000	128,551,000	1,492,222,320	-
Seven Year Bond	1,963,740,010	30,535,500	43,000,000	217,200,800	1,044,706,430	628,297,280
Ten Year Bond	2,617,819,430	31,000,000	-	123,543,600	683,982,200	1,779,293,630
Fifteen Year Bond	1,900,563,807	-	-	-	-	1,900,563,807
Twenty Year Bond	400,139,730	-	-	-	-	400,139,730
Special Bonds	1,027,673,228	-	-	-	804,673,228	223,000,000
Stock	252,724,430	-	-	-	116,979,359	135,745,070
Duty Draw Back Scheme	44,643	-	-	-	44,643	-
Tax Reserve Certificate	331,047	-	-	-	331,047	-
Government Overdraft Position	1,241,649,862	-	-	1,241,649,862	-	-
Nmb Loan	18,342,069	-	-	-	18,342,069	-
GRAND TOTAL	14,863,400,476	409,194,690	737,066,550	4,318,273,052	4,331,826,667	5,067,039,517

EXTERNAL DEBT STOCK'S PROFILE BY CURRENCY

Currency	30-June-2020		30-June-2019	
	Amount in Foreign Currencies	Equivalent TZS '000	Amount in Foreign Currencies	Equivalent TZS '000
SDR	6,007,859,253	19,357,354,808	5,471,591	17,757,172,893
USD	5,601,386,730	13,326,199,979	5,304,200	12,202,301,137
EUR	443,332,662	1,192,903,849	452,021	1,182,439,274
JPY	39,779,911	1,144,851,435	39,581	1,116,452,597
AUA	1,561,740,097	4,892,822,402	1,451,202	4,590,428,731
CNY	3,259,038,312	1,069,458,248	3,349,000	1,127,772,262
GBP	734,000	2,089,414	734	2,147,555
KWD	21,467,669	160,916,184	18,050	136,850,241
SAR	61,633,158	37,913,970	62,034	38,057,411
AED	77,555,993	48,725,894	85,341	53,453,687
IQD	8,017,308	15,530	7,824	15,021
KRW	13,147,193,000	25,291,255	13,150,302	26,166,471
SEK	41,526,962	10,153,612	34,129	8,227,293
		41,268,696,581		38,241,484,572

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

102. OTHER BORROWINGS BY GOVERNMENT ENTITIES

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
African Development Bank	222,799,648	265,850,962
Azania Bank Limited	6,018,972	5,073,016
Bank M Tanzania Limited	1,286,952	943,867
Barclays Bank Limited	271,045,206	242,050,697
BoA Bank (Tanzania) Limited	34,263,496	34,263,496
Commercial Bank of Africa	-	15,000
CRDB Bank Limited	138,514,107	162,697,454
East African Development Bank	396,517,699	37,375,000
Economic Development Cooperation Fund (EDCF)	58,543,071	58,543,071
European Investment Bank (EIB)	88,802,562	86,055,050
Exim Bank Limited	3,239,660,000	3,137,458,000
ING Bank	94,440,499	93,257,708
International Development Association (IDA)	1,158,652,039	810,264,916
Japan International Cooperation Agency (JICA)	-	133,154,585
NBC Tanzania Limited	3,184,107	4,906,556
NMB Tanzania Limited	1,041,673	15,429,042
Other Borrowing	398,935,622	357,661,777
PSSSF Loan	310,658,067	287,923,704
Shelter Afrique	6,620,714	13,142,857
Standard Bank	-	336,264,038
Syndication loan 408 BN Facility (Arranged by City bank)	-	52,878,345
Tanzania Investment Bank	66,963,862	148,249,794
	<u>6,497,948,296</u>	<u>6,283,458,935</u>

103. BOT LIQUIDITY PAPERS

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
BOT liquidity papers	117,592,191	327,026,553
Accrued interest	1,196,442	3,727,279
	<u>118,788,633</u>	<u>330,753,832</u>

As at 30 June 2020 the maturities profile of BoT Liquidity Papers held to maturity were as follows:

	<u>30-June-2020</u>		<u>30-June-2019</u>	
	Cost	Accrued Interest	Cost	Accrued Interest
	TZS '000	TZS '000	TZS '000	TZS '000
35-Day Treasury Bills	1,995,408	3,581	37,990,119	432,991
91-Day Treasury Bills	7,909,898	32,373	9,060,572	103,268
182-Day Treasury Bills	31,504,589	312,786	252,297,422	2,875,555
364-Day Treasury Bills	76,182,296	847,802	27,678,440	315,465
	<u>117,592,191</u>	<u>1,196,542</u>	<u>327,026,553</u>	<u>3,727,279</u>

These are financial instruments issued by the Bank under the open market operations to manage liquidity levels in the economy. Interest incurred on these instruments is accrued and recognised in profit and loss account as interest expenses.

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

104. OTHER FINANCIAL LIABILITIES

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Items in Course of Settlement	17,730,881	25,755,244
Others financial liabilities	614,438,503	473,487,788
	<u>632,169,384</u>	<u>499,243,032</u>

105. PENSION FUNDS ACTUARIAL LIABILITIES

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS '000	TZS '000
Defined contribution scheme	19,095,594,000	19,095,594,000
	<u>19,095,594,000</u>	<u>19,095,594,000</u>

106. EMPLOYEES BENEFIT LIABILITIES

Accrued pay	231,803,023	219,806,903
Annual leave	13,177,010	11,476,849
Defined benefit obligation	87,664,469	114,926,633
Long service leave	2,049,967	5,163,250
Other employees' benefits	92,939,578	79,580,809
Retirement gratuities	2,239,778	795,753
Sick leave	1,032,745	1,676,943
	<u>430,906,570</u>	<u>433,427,140</u>

107. RETIREMENT BENEFITS OBLIGATIONS

Retirement benefits obligations	488,351,876	647,254,339
	<u>488,351,876</u>	<u>647,254,339</u>

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

108. PROVISIONS

	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
	Total	Leave Pay	Legal Cases	Actuarial Value of Defined Benefit Plan	Decommissioning Liability	Insurance Contract	Other Expenses
30-June-2020							
As at 1 st July	1,010,271,148	6,704,929	18,585,437	-	25,315,157	160,723,512	798,942,113
Additional provisions	-	-	-	-	-	-	-
Amounts used	-	-	-	-	-	-	-
Unused amounts reversed	-	-	-	-	-	-	-
Discount unwinding	-	-	-	-	-	-	-
Balance as at 30th June	968,984,449	9,842,184	12,561,943	-	29,073,478	167,584,017	749,922,827
30-June-2019							
As at 1 st July	1,010,271,148	6,704,929	18,585,437	-	25,315,157	160,723,512	798,942,113
Additional provisions	-	-	-	-	-	-	-
Amounts used	-	-	-	-	-	-	-
Unused amounts reversed	-	-	-	-	-	-	-
Discount unwinding	-	-	-	-	-	-	-
Balance as at 30th June	1,010,271,148	6,704,929	18,585,437	-	25,315,157	160,723,512	798,942,113

109. DEFERRED INCOME (REVENUE)

Upon consolidation, these have been eliminated in full.

110. DEFERRED INCOME (DEVELOPMENT)

Upon consolidation, these have been eliminated in full.

111. STATEMENT OF GUARANTEES

STATEMENT OF EXPORT CREDIT GUARANTEE SCHEME

No.	Borrower	Product	Financing Institution	2019/2020		2018/2019	
				Loan Amount TZS '000	Guaranteed Amount TZS '000	Loan Amount TZS '000	Guaranteed Amount TZS '000
1	Morogoro Cancas Mills	Textile	CRDB Bank	15,468,667	11,601,500	15,468,667	11,601,500
2	Kagera Sugar Limited*	Sugar	Stanbic Bank (Syndication)	94,265,000	75,412,000 8,000,000	94,265,000	75,412,000 8,000,000
3	Gomba Estate	Variou Vegetables	Standard Chartered Bank	5,426,000	4,069,000	5,426,000	4,069,000
4	Unnat Fruits Processing Ltd.	Juice Concentrates	Exim Bank	4,800,635	3,600,476	4,800,635	
5	21st Century Textile Mills	Textile	Barclays Bank (T) Ltd			43,300,000	32,475,000
6	Musoma Dairy Ltd (USD 762,003 at 1,598.43/USD on 27th March 2013)	Diary products	PTA BANK	1,218,008	913,506	1,218,008	913,506
7	Musoma Dairy Ltd (USD 2,250,000 at 1,598.43/USD on 27th March 2013)	Diary products	PTA BANK	3,596,468	2,697,351	3,596,468	2,697,351
8	Musoma Dairy Ltd (USD 1,048,400 at 1,598/usd on 27th March 2013)	Diary products	PTA BANK	1,675,794	837,897	1,675,794	837,897
9	Kagera Sugar Company	Centre Pivot irrigation system	TIB	25,000,000	20,000,000	25,000,000	20,000,000
11	Tanzania Fisheries Development Ltd	Fishing	ACB Bank				
10	125 PCS in Shinyanga, Tabora, Kagera, Kigoma, Ruvuma & Mbeya	Tobacco Inputs	NMB	40,857,748	30,643,311	40,857,748	30,643,311
11	216 PCS in Mtwara, Lindi, Ruvuma, Coast & Tanga	Cashewnuts	NMB	54,086,291	54,086,291	54,086,291	54,086,291
12	124 PCS in Tabora, Mbeya, Shinyang, Kagera, Kigoma & Ruvuma	Tobacco Inputs	NMB	52,945,054	39,708,790	52,945,054	39,708,790
13	24 AMCOS in Tabora, Ruvuma, Kagera, Shinyanga and Kigoma	Tobacco Inputs	NMB	3,551,144	2,663,358	3,551,144	2,663,358

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

No.	Borrower	Product	Financing Institution	2019/2020		2018/2019	
				Loan Amount TZS '000	Guaranteed Amount TZS '000	Loan Amount TZS '000	Guaranteed Amount TZS '000
14	65 AMCOS in Tabora, Mbeya, Kagera, katavi, Shinyanga \$Kigoma	Tobacco Inputs	NMB	29,048,818	21,786,614	29,048,818	21,786,614
15	39 AMCOS in Iringa, Chunya, Mpanda & Manyoni	Tobacco Inputs	CRDB	2,891,582	2,168,686	2,891,582	2,168,686
16	137 AMCOS in Tabora, Kahama & Kigoma	Tobacco Inputs	CRDB	1,203,002	902,251	1,203,002	902,251
17	M/S BIOSUSTAIN Tanzania (Ltd)	Cotton	NMB	1,961,670	980,835	1,961,670	980,835
18	70 AMCOS in Tabora, Kagera, Mbeya, Katavi,	Tobacco Inputs	NMB	1,214,393	910,795	1,214,393	910,795
19	23 AMCOS in Chunya and Mpanda	Tobacco Inputs	CRDB	506,227	379,670	506,227	379,670
20	Umoja wa Wakulima wa Umwagiliaji Maji Mkula	Paddy	TADB			678,991	509,243
21	13 AMCOS in Kahama and Geita Regions	Tobacco Inputs	Azania			11,110,297	8,332,722
22	111 AMCOS in Sikonge, Urambo, Tabora, Shinyanga and kigoma regions	Tobacco Inputs	CRDB	518,989	389,242	42,708,091	32,031,068
23	81 AMCOS in Tabora, Mbeya, Kagera, Shinyanga, Katavi and Kigoma Regions	Tobacco Inputs	NMB	72,530	54,398	25,184,230	18,888,173
24	7 AMCOS in Katavi, Mpanda Region	Tobacco Inputs	CRDB			16,888,959	12,666,719
25	19 AMCOS in Chunya, Mbeya Region	Tobacco Inputs	CRDB	298,611	223,958	26,303,165	19,727,374
26	Saki AMCOS in Urambo Tabora Region	Tobacco Inputs	CRDB	64,350	32,175	64,350	32,175
27	Usanganya AMCOS in Urambo Tabora Region	Tobacco Inputs	CRDB	790,059	395,029	790,059	395,029
28	Kanoge AMCOS in Urambo Tabora Region	Tobacco Inputs	CRDB	-	-	11,074	5,537
29	Tuwepo AMCOS in Urambo Tabora Region	Tobacco Inputs	CRDB	-	-	53,225	26,613
30	Tumbi AMCOS in Urambo Tabora Region	Tobacco Inputs	CRDB	84,417	42,209	84,417	42,209
31	Uhindi AMCOS in Urambo Tabora Region	Tobacco Inputs	CRDB	335,035	167,518	335,035	167,518
32	4 AMCOS & 1 Union in Tabora and Ruvuma Region	Tobacco Inputs	NMB	1,751,582	1,313,686	1,751,582	1,313,686
33	M/S BIOSUSTAIN Tanzania (Ltd)	Cotton	NMB			10,483,500	7,862,625
				343,632,072	283,980,545	519,463,475	412,237,546

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

111. STATEMENT OF GUARANTEES (Continued)

STATEMENT OF OUTSTANDING GUARANTEE FOR SMALL AND MEDIUM ENTERPRISES (SME-CGS)

No.	Borrower	Product	Beneficiary Institution	30-June-2020		30-June-2019	
				Loan Amount TZS '000	Guarantee Amount TZS '000	Loan Amount TZS '000	Guarantee Amount TZS '000
1	Kisigo Estate Farm, P.O. Box 190 Mufindi, Iringa	Agriculture	TIB Bank	500,000	250,000	500,000	250,000
2	M/S Landmark Solution (T) Ltd	Communication	BOA Bank	-	-	100,000	50,000
3	Growers Co in Iringa	Agriculture	TADB	-	-	144,859	72,429
4	Usambara Lishe Trust in Tanga Region	Agriculture	TADB	-	-	368,343	184,171
5	Maendeleo Cane Growers in Morogoro	Agriculture	TADB	255,748	127,874	255,748	127,874
6	Msolwa Cane Growers in Morogoro	Agriculture	TADB	406,980	203,490	406,980	203,490
7	Hope Cane Growers in Morogoro	Agriculture	TADB	300,960	150,480	-	0
8	Kidatu Ikela Cane Growers in Morogoro	Agriculture	TADB	74,989	37,495	375,949	187,975
	TOTAL			1,538,677	769,338	2,151,879	1,075,939

REFINANCING & STRUCTURED FACILITIES

No.	Company	Project	30-June-2020		30-June-2019	
			Loan Amount TZS '000	Guarantee Amount TZS '000	Loan Amount TZS '000	Guarantee Amount TZS '000
1	Tanzania Flowers Ltd	Flowers	11,000,000	11,000,000	11,000,000	11,000,000
2	Arusha Blooms Ltd (Formerly la Fleur D'Afrique)	Flowers	9,834,854	9,834,854	9,834,854	9,834,854
3	Hortanzia Ltd	Flowers and Maize Seeds	3,835,000	3,835,000	3,835,000	3,835,000
4	SAAFI	Abattoir	13,852,006	13,852,006	13,852,006	13,852,006
5	Mount Meru Flowers	Flowers	4,400,000	4,400,000	4,400,000	4,400,000
	Total		42,921,859	42,921,859	42,921,859	42,921,859

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

112. FUNDS OPERATING WITH MDAS

No.	Vote	Name of MDA	Fund Description	30-June-2020	30-June-2019
				TZS '000	TZS '000
1	28	Tanzania Police Force	(i) Canteen/Duty free shops	105,147	105,147
			(ii) Police Force Corporation Sole	13,236	13,236
2	37	Prime Minister's Office	National Relief Fund	5,842,096	8,673,050
3	43	Ministry of Agriculture, Cooperatives and Food Security	(i) Self Help Funds	271,717	330,777
4	48	Ministry of Lands, Housing and Urban Devel.	Housing Loan	9,255,863	9,255,863
6	53	Community Development Gender and Children	Women Development Fund	-	1,410,762
7	69	Ministry of Natural Resources and Tourism	(i) National Fund For Antiquities	112,975	112,975
			(ii) Tanzania Forest Fund	13,503,371	13,503,371
			(iii) Tourism Development Levy	227,065	227,065
10	96	Ministry of Information Culture and Sports	Mallya Sports College	65,736	35,172
13	57	Ministry of Defence and National Services	Tanzania Automotive Technology Center	-	25,176,508
14	65	Ministry of Labour, Youth, Employment, and Persons with Disability	Youth Development Fund	153,823	2,635,860
GRAND TOTAL				29,551,029	61,479,786

113. CONTINGENT LIABILITIES AND ASSETS

Vote	Vote Name	Amount TZS '000	Nature of Contingent Liability
69	Ministry of Natural Resources and Tourism	2,248,448	Civil Case No. 11/2013. The claimant sues for TZS 2,248,447,750/= as a result of the loss the Company suffered in 2004 when the Government banned export of logs outside the Country.
		11,600,000	Case No. 146 of 201. Declaration that the Plaintiff is lawful registered owner of Plot No. 461, 462, 463, 465 and 466 and a permanent injunction restraining the Defendants from interfering in his lawful ownership of the said plots of land and developments thereto.
		300,000	Case No. 27 of 2007. Plaintiffs are opposing the act of confiscating their motorvehicle, one rifle and one shotgun.
		250,000	Case No. 8 of 2007. Compensation for damages suffered upon being refused to be granted transport permit for mtundu logs by the Defendant
		1,000,000	Civil Case No. 35/2016 This case refers the suit (Miscellaneous Application) originates from Notice of Seizure of logs made by Tanzania Forest Services Agency issued on 18th Januari, 2016.
		171,020	Civil Case No. 73/2018 The case originated from Economic case No. 2 of 1999 where the defendant were found guilty of criminal charges hence institution of this case.
		40,190	Civil Case No. 42/2016 The case originated from criminal case number 118/2013 where the defendant were found guilty of criminal charges hence the institution of this case.
		150,000	Misc land Case No. 129/2010 compensation for destroyed farm produce and a house for allegations that he is dwelling inside the forest reserve while the claimant maintains that he is the lawfull owner of the plot since 1975.
		98,519	Manyara Wildlife Safari refuses to pay.
52	Ministry of Health and Social Welfare	10,159	Case CMA Kigoma . Said Malolo Vs.MOI (Kigoma RRH) & RHH Maweni.
		200,000	Case 1/20019 Dr. Sabius Mchau Vs PS (MOH) & Attorney General
		950,000	Case No.129/2012. Sisti Marishay (Suing as friends of Emmanuel Didas Vs.The Board of Trustees MOI, Permanent Secretary –MoHSW & Attorney General.
		15,159	CMA 120/2019 .Jibu Malilo Said- Moi (Maweni RRH)
		13,242,385	Case No. 42/2020 M.A. Kharaf & Sons Ltd
		11,150	CMA/DSM/TEM/70/2017, Nsubi Mwangaba
57	Ministry of Defece and Naitonal Service	95,008	Civil case No. 176/2017 John Timoth Nyaisanga Just Dear Investment
		4,913,132	Commercial Case No.40/2015, Baco and Ayub Trading Co. Ltd
		500,000	Land case No. 85/2018, Said Lipite & Others
49	Ministry of Water	10,000	Case No.16/2010. Michael Madaha Vs.P/S-Ministry of Water & Attorney General.
		56,960	Case No. 28/2010 Hilal A.Sharif Vs.Chalnze Water Project and Attorney General.
		128,971	Case No. 28/2010. Ally Y.Mgidange Vs. P/S-Ministry of Water and Attorney General.
		229,841	Case No. 28/2010. Nurdin Amir Vs.P/S-Ministry fo Water & Attorney General.
		204,251	Case No.28/2010.Boy Rajabu Vs.P/S-Ministry of Water & Attorney General
		164,225	Case No.28/2010. Ramadhan M.Juma Vs.P/S-Ministry of Water & Attorney General.
		140,000	Charles Mahamba
		80,000	CMA/TAB/58/2015 Elias John Kitambi
		15,500	High Court Case No. 201 of 2016 Seif Ally Mateke V. Ahamad Athuman
		3,778,358	Technofab (India)- Delhi Supreme Court
43	Ministry of Agriculture	900,000	Case No.169/2001. Elda J.Makoye Vs.P/S-MoAFSC
		4,536,075	Case No. 39/2006. Afriscan Construction Co.Ltd Vs.PS-Ministry of Water
98	Ministry of Works	151,703	Case No.60/2009. Eustace Augustino Vs.P/S-Ministry of Works & Attorney General.
		2,700,000	Case No.10/2008. Fulgence Mudei Vs.P/S-Ministry of Woks
		93,600	Case No.7/2010. Arbogasti Sangiri Vs.MoW
		11,800	Case No.77/2010. Ludovick Moshia Vs.TAMISEMI,MoW and Attorney General
		300,000	Land Case No.159/2016. Enock Rocky Mwakasa Vs PS -MOI, PS- Ministry of Lands, Housing and Human Settlements & AG
		499,306	Case No. 12 of 2014. Endasangu Co. Ltd Vs AG- Additional compensation
		1,270,448	Land Case No. 466 Of 2017 Domini Daniel Lema Vs AG
58	Ministry of Energy and Minerals	69,028,500	Case No. 24524/TO Hertage Rukwa Limited Vs Government and TPDC of USD 30,000,000.
		425,675,750	ICSID Case NoARB/15/41. Standard Chartered Bank
96	Ministry of Information, Culture and Arts	461,000	Employment Labour case no. CMA/ARS/MED/500/2015 Daniel Mpuye Gervas Vs MICAS
		64,351	Case No. CMA/DSM/ILA/R.538/2018 Sofia M. Komba Vs MICAS & AG
23	Accountant General's	1,446,126	Epicor licence subscription
		275,216	Unpaid rent
55	Commission for Human Rights and Good Governmence	275,000	Case No.82/2007 Commission suing Private Institution -CHRAGG & AG Vs Info Wise Tech Ltd.
		275,000	
21	The Treasury	50,000	Court cases: Guarantee issued by the Bank of Tanzania to CRDB Bank for the loan issued to Landmark Solution since 2006, Land Mark Solution defaulted, CRDB take the issue to the Court of Law. The case is still in the court.
		42,921,859	Loan Rifinancing: Refinancing and structured financing facilities.
		1,025,939	Small and Medium enterprises guarantee: Guarantee issued to small and medium enterprises as at 30 th June 2019, (1,075,939,270.00 – 50,000,000 for Land Mark who defaulted.
		283,980,545	Export Credit Guarantee: Guarantee issued to Export Credit Guarantee as 30 th June 2020.
22	Wanging'ombe District Council	5,000	Case No. 37 of 2020 Mhongole Family Vs Mhaji Village
		10,000	Case No. 90 of 2016 Melick Msemwa and Others vs. Serikali ya kijiji cha Usita
		2,000	Case No. 64 of 2020 Mfuse Family Vs. Mhaji Village
	Grand Total	876,287,492	

114. STATEMENT OF LOSSES

30-June-2020		LOSS OF MONEY, GOODS AND UNLAWFUL EXPENDITURE REQUESTED FOR CONDEMNATION				REVENUE UNCOLLECTABLE	GRAND TOTAL
VOTE	MINISTRY/ REGION/DEPARTMENT	CASH	NUGATORY EXPENDITURE	STORES	SUB TOTAL		
		TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
VT07	Treasury Registrar	-	-	-	-	1,322,684	1,322,684
VT23	Accountant Generals Department	12,040			12,040		12,040
VT28	Ministry of Home Affairs - Police Forces	2,489			2,489		2,489
VT33	Ethics Secretariat			9,818	9,818		9,818
VT40	DMC - Dodoma	19,259			19,259		19,259
	DMC - Kinondoni	18,156			18,156		18,156
	PMC - Kimara	9,272			9,272		9,272
	DMC - Rufiji	5,000			5,000		5,000
	RMC - Kisutu	179,627			179,627		179,627
	Msajili - Rufaa	15,943			15,943		15,943
VT42	National Assembly Fund	4,572			4,572		4,572
VT43	Ministry of Agriculture	103,241			103,241		103,241
VT44	Ministry of Industry & Trade	9,147			9,147		9,147
VT46	Ministry of Education & Vocational Training			65,000	65,000	9,504	74,504
VT48	Ministry of Lands, Housing and Human Settlement	58,078		121,971	180,048		180,048
VT49	Ministry of Water	31,119			31,119		31,119
VT52	Ministry of Health Community Development, Gender Elderly & Children			5,681,058	5,681,058		5,681,058
VT53	Comm. Dev., Women & Children		159,311		159,311		159,311
VT62	Ministry of Works, Transport and Communication-(Transport)			384,689	384,689		384,689
VT63	Halmashauri ya wilaya ya Chato			23,244	23,244		23,244
VT69	Ministry of Tourism & Natural Resources	57,704			57,704	874,853	932,557
	Halmashauri ya Wilaya ya Longido			53,310	53,310		53,310
	Halmashauri ya Wilaya ya Monduli			29,868	29,868		29,868
	Halmashauri ya Wilaya ya Meru			88,706	88,706		88,706
VT70	Halmashauri ya Wilaya ya Karatu			127,902	127,902		127,902
	RAS - IRINGA			32,488	32,488		32,488
	Iringa District Council			131,005	131,005		131,005
	Iringa Municipal Council			249,968	249,968		249,968
	Kilolo District Council			60,548	60,548		60,548
VT73	Mufindi District Council			79,127	79,127		79,127
	Mtwara District Council			41,059	41,059		41,059
	Mtwara Municipal Council			236,059	236,059		236,059
	Newala District Council			19,759	19,759		19,759
VT80	Newala Town Council			307,606	307,606		307,606
VT81	RAS - Mwanza		51,456		51,456		51,456
	Mbinga District Council			215,090	215,090		215,090
	Songea Municipal Council			186,150	186,150		186,150
	Songea District Council			187,991	187,991		187,991
	Tunduru District Council			42,863	42,863		42,863
VT82	Nyasa District Council			35,594	35,594		35,594
VT83	RAS - Shinyanga			2,792	2,792		2,792
	RAS Singida			20,564	20,564		20,564
	Singida Municipal Council			14,849	14,849		14,849
	Iramba District Council			9,270	9,270		9,270
	Manyoni District Council			9,702	9,702		9,702
VT 84	Singida District Council			9,019	9,019		9,019
	Korogwe Town Council			9,535	9,535		9,535
VT86	Muheza District Council			28,030	28,030		28,030
	Temeke Municipal Council			108,017	108,017		108,017
VT92	TACAIDS			17,162	17,162		17,162
VT93	Immigration Department			61,589	61,589		61,589
	RAS - Manyara		300,000		300,000		300,000
	Babati District Council			126,677	126,677		126,677
	Hanang District Council			15,843	15,843		15,843
	Kiteto District Council			95,952	95,952		95,952
	Mbulu District Council			20,818	20,818		20,818
	Babati Town Council			15,280	15,280		15,280
VT95	Simanjiro District Council			65,000	65,000		65,000
VT96	Min. of Info, Culture & Sports			4,657	4,657		4,657
VT98	Ministry of Works, Transport and Communication - (Works)				-	39,118	39,118
VT99	Min of Livestock Development and Fisheries (Livestock)			3,938	3,938		3,938
TIRA	Tanzania Insurance Regulatory Authority	7,713		11,320	19,033		19,033
GPSA	Government Procurement Services Agency			131,683	131,683		131,683
TIC	Tanzania Investment Centre	9,749			9,749		9,749
	TOTAL	543,108	510,767	9,192,568	10,246,443	2,246,159	12,492,602

Statement of Losses is disclosed in accordance with the Government Loss Register which includes all losses brought to the attention of the Accountant General by the Accounting Officers in compliance to Regulation 16 (2) and 22(3) of the Public Finance Regulations, 2001.

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

115. CREDIT RISK

	30 Jun 2020	Up To 1 Month	1 - 3 Months	3 - 12 Months	1 - 3 Years	3 - 5 Years	Over 5 Years
	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)
Cash and Cash Equivalent (Note 66)	7,002,904,470	200,678,293	4,894,428,832	1,906,388,523	1,193,032	215,791	-
Foreign currency marketable securities (Note 70)	6,201,955,789	1,910,664	387,050,141	1,205,660,303	4,607,334,681	-	-
Government securities (Note 84)	1,230,069,507	57,646,591	-	-	-	976,651,300	195,771,616
Prepayment (Note 88)	2,815,458,587	2,426,401,035	301,924,285	87,133,267	-	-	-
Receivables (Note 71)	9,759,706,948	2,184,782,079	3,814,878,262	3,161,476,581	280,809,191	76,068,825	241,692,009
Total	27,010,095,301	4,871,418,662	9,398,281,520	6,360,658,674	4,889,336,904	1,052,935,915	437,463,625
	30 June 2019	Up To 1 Month	1 - 3 Months	3 - 12 Months	1 - 3 Years	3 - 5 Years	Over 5 Years
	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)
Cash and Cash Equivalent (Note 66)	5,912,265,066	169,424,453	4,132,165,550	1,609,485,652	1,007,228	182,183	-
Foreign currency marketable securities (Note 70)	5,065,705,728	-	5,065,705,728	-	-	-	-
Government securities (Note 84)	1,257,650,150	58,939,144	-	-	-	998,549,795	200,161,211
Prepayment (Note 88)	2,551,495,383	2,198,913,906	273,617,386	78,964,091	-	-	-
Receivables (Note 71)	5,984,065,322	1,048,834,426	3,377,140,591	1,028,203,114	248,587,780	67,340,318	213,959,094
Total	20,771,181,649	3,476,111,929	12,848,629,255	2,716,652,857	249,595,008	1,066,072,296	414,120,305

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

116. LIQUIDITY RISK

	30 Jun 2020	Up To 1 Month	1 - 3 Months	3 - 12 Months	1 - 3 Years	3 - 5 Years	Over 5 Years
	TZS ('000)	TZS ('000)	TZS ('000)	TZS('000)	TZS ('000)	TZS ('000)	TZS ('000)
Borrowings (Public Dept) (Note 97)	51,327,383,136	348,252,343	677,849,841	4,619,958,680	7,869,063,810	37,812,258,462	-
BoT liquidity papers (Note 94)	118,788,633	-	1,998,989	116,789,644	-	-	-
Employee Benefits liabilities (Note 100)	430,906,570	110,418,370	170,915,541	101,369,607	42,542,080	4, 416.447	1,244,526
Foreign currency financial liabilities (Note 95)	1,412,490,402	-	1,412,490,402	-	-	-	-
Payables and Accruals (Note 90)	12,463,522,434	2,558,689,941	2,023,923,166	3,079,525,092	4,339,507,811	399,061,309	62,815,114
Total	54,338,813,091,175	3,017,360,654	4,287,177,939	7,917,643,023	12,251,113,701	38,211,319,771	64,059,640
	30June2019	UpTo1Month	1-3Months	3-12Months	1-3Years	3-5Years	Over5Years
	TZS('000)	TZS('000)	TZS('000)	TZS('000)	TZS('000)	TZS('000)	TZS('000)
Borrowings (Public Dept) (Note 97)	47,918,306,555	325,122,021	632,828,219	4,313,108,964	7,346,414,115	-	35,300,833,236
BoT liquidity papers (Note 94)	330,753,832	-	330,753,832	-	-	-	-
Employee Benefits liabilities (Note 100)	433,427,140	111,064,258	171,915,305	101,962,564	42,790,928	4,442,280	1,251,806
Foreign currency financial liabilities (Note 95)	919,256,948	919,256,948	-	-	-	-	-
Payables and Accruals (Note 90)	9,371,647,806	1,543,557,725	1,013,982,622	2,059,336,458	4,297,378,608	395,187,106	62,205,287
Total	58,973,392,281	2,899,000,952	2,149,479,978	6,474,407,986	11,686,583,651	399,629,386	35,364,290,329

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

117. RELATED PARTY DISCLOSURE

Related party disclosure with the Government of United Republic of Tanzania (Tanzania Mainland) includes the Members of CABINET who are principal Executives and have significant influence over the decision of the Government. During the financial year 2018/19 there was no conflicting interests for reporting under this aspect.

118. EVENTS AFTER THE REPORTING DATE

There is no significant material post balance sheet event which require adjustment or disclosure in the financial statements.

119. TAX COMMITMENTS AND CONTINGENCIES

Commitments

There were no commitments in relation to tax revenue as of 30th June 2020 (30th June 2019: NIL).

Contingent Assets

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the TRA. In line with TRA operations, contingent assets result from:

(a) Court Cases

At the closure of financial year 2019/20, TRA had 1097 tax cases (2019/20 950 tax cases) at various appellate machineries with a total value of TZS 360,081,657,690,115 and USD 181,430,252 (2018/19 TZS 365,285,074,597,120 and USD 328,150,414) as analyzed below.

TRA Cases at Appellate Machineries as at 30th June 2020

Year	No. of Cases	Court of Appeal (CAT)		Tax Revenue Appeals Tribunal (TRAT)		Tax Revenue Appeals Board (TRAB)		Total	
		TZS 'Bn	USD '000	TZS 'Bn	USD '000	TZS 'Bn	USD '000	TZS 'Bn	USD '000
2015	5	-	-	-	-	11	-	11	-
2016	18	-	-	-	-	1,376	-	1,376	-
2017	77	-	-	-	-	350,051	2,486	350,051	2,486
2018	197	119	41,250	1,188	-	632	-	1,940	41,250
2019	474	11	-	1,353	1,451	4,597	5,355	5,961	6,806
2020	326	47	108,887	140	22,001	556	-	743	130,888
Total	1,097	177	150,137	2,681	23,452	357,224	7,841	360,082	181,430

Note:

The amount under Tax Revenue Appeals Board (TRAB) includes one case with a total value of TZS 343,500 Billion currently under final discussions out of the Court. Upon successful conclusion of the discussions out of Court, the matter will be referred back to the TRAB for settlement finalization.

(b) Goods in Customs Warehouses (Un-entered Goods)

These are goods which have been abandoned/seized/detained in customs area, and have remained un-entered for more than twenty-one days from the day of importation/seizure/detention. These goods are then moved to customs warehouses. The goods are undergoing auction/disposal procedures after lapse 30 days of advertising to the public as per requirement of the law.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

120. TAX COMMITMENTS AND CONTINGENCIES (Continued)

(c) Goods in Customs Warehouses (Un-entered Goods)

During the year ended 30th June 2020 there were 3,513 transactions (2019: 1075 transactions) with estimated taxes amounting to TZS 40,287,400,050 (2019: TZS 23,224,166,652) from various Customs areas from which 2,267 transactions (2019: 666 transactions) with estimated taxes of TZS 3,842,328,905 (2019: TZS 1,721,053,988) were from various Regions. The summarized breakdown of these goods is as shown in the table below.

Goods in Customs Warehouses (Un-entered Goods) as at 30th June 2020

No.	Description	30-June-2020		30-June-2019	
		Number of Items	Estimated Taxes	Number of Items	Estimated Taxes
			TZS '000		TZS '000
1	Goods at TPA and TICTS	245	9,879,913	125	9,915,240
2	Goods at ICDs	974	25,851,928	160	8,632,854
3	Goods at Bonded Warehouses	27	713,229	124	2,955,019
4	Goods at Regions	2,267	3,842,329	666	1,721,054
	Total	3,513	40,287,400	1,075	23,224,167

(d) Goods Awaiting Clearance Procedures

These are goods which have been imported in the country through various entry point at manifest level. The goods await Clearing Agent /Importers to lodge declarations through clearance system (TANCIS) for assessment of duties and taxes before release is issued by Customs. During the year ended 30th June 2020 there were 29,291 transactions at ports, airports and borders post waiting for initiation of clearance procedures as depicted in the table below.

Analysis of Goods Awaiting Clearance Procedures as at 30th June 2020 by Entry Point

No.	Entry point	Number of transactions as at 30 th June 2020	Number of transactions as at 30 th June 2019
1	Sea Ports	11,975	44,480
2	Airports	11,604	6,292
3	Land Border Posts	5,712	10,922
	Total	29,291	61,694

For these types of goods, particularly containerized cargo, it is not possible to determine its value and taxes since the goods have been imported but not declared in the clearance system. Tax to be collected on these kinds of goods will depend on the assessments that will be issued after accomplishment of clearance procedures.

(e) Goods Subjected to Suspense Procedures

These are goods imported and stored in the licensed Custom Bonded Warehouses, Manufacturing under Bond (MUB) and Exports Processing Zones (EPZ) under Suspense Procedures. It should be noted that the goods can be re-exported to another country hence no taxes collected for such transaction. It is not possible to determine the taxes to be collected since the goods can be imported in the country or re-exported to another country. The assessment of taxes to be collected is determined when intention to enter such goods into home use is made by the licensee. There were 1972 transactions with estimated taxes amounting to TZS 143,608,557,889 under Customs control as at 30th June 2020 as shown in the table below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

120. TAX COMMITMENTS AND CONTINGENCIES (Continued)

Estimated Taxes for Goods Subjected to Suspense Procedures

No.	Descriptions	30-June-2020		30-June-2019	
		Number of Items / Transactions	Estimated Taxes	Number of Items / Transactions	Estimated Taxes
			TZS '000		TZS '000
1	Goods Imported for MUB	119	2,222,385	293	8,115,751
2	Goods Warehoused	1251	103,023,032	1464	45,204,425
3	Goods Imported for EPZ	602	38,363,141	1012	49,787,153
	Total	1,972	143,608,558	2,769	103,107,329

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of TRA, or present obligation that do not meet the recognition criteria set out by IPSAS 19 because either it is not probable that an outflow of resources embodying economic benefit or service potential will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made. In this case, TRA has contingent liability where possibility of an outflow of economic resources was considered and the fair value of the contingent liability was estimated to be TZS 760,247,558,844 and USD 91,175,198 (2019: TZS 751,833,058,682 and USD 291,432). After completion of verification and approval process, the approved amount shall be settled via Refunds funds. The table below analyses contingent liabilities as at 30th June 2020 by departments.

Contingent Liabilities as at 30th June 2020 by Departments

No.	Department	Amount	Amount
		TZS '000	USD
1	Large Taxpayers Department (LTD)	658,294,781	90,925
2	Domestic Revenue Department (DRD)	54,580,738	250
3	Customs and Excise Department (CED)	47,372,040	-
	Total	760,247,559	91,175

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

120. TAX EXEMPTION AND RELIEF

Tax exemptions are reductions or eliminations of the taxes normally imposed on individuals and organizations by the United Republic of Tanzania as provided for by tax laws. In order to be eligible for tax exemption, an organization must meet certain criteria that are specifically provided in the tax laws.

Exemptions and relief are generally incentives, waiver and/or benefits granted to taxpayers for payment of Import Duty, VAT, Excise Duty, income tax and Fuel levy under the Tanzania Investment Act, the Mining Act, and relevant Government Notices applicable to Religious and Charitable Organizations, Donor Funded Projects and Investors. Exemptions and relief granted during the financial year under review are shown below:

Summary of Tax exemptions and Relief

Total exemption and relief granted during financial year 2019/20 is TZS 1,529,505,739,480. This is an increase of TZS 267,126,139,738 equivalent to 21.2 % compared to TZS 1,262,379,599,742 granted in year 2018/19. Out of the increased amount, TZS 262,150,661,789 equivalent to 98.1% is contributed by Domestic revenue department and is attributable to major projects funded by Government that are eligible for exemptions. Departmental exemptions and relief granted during the period are as shown hereunder:

Descriptions	30-June-2020	30-June-2020
	TZS '000	TZS '000
Customs and Excise	1,009,046,614	1,004,071,136
Domestic Revenue	520,459,126	258,308,464
Grand Total	1,529,505,740	1,262,379,600

Categories of Beneficiaries by Department

Categories of exemptions and relief granted during the period is as shown below:

(a) Customs and Excise

Categories of beneficiaries for exemptions and relief granted during the period are provided below:

Descriptions	30-June-2020	30-June-2020
	TZS '000	TZS '000
Government Institutions	77,695,050	58,104,025
Parastatal Organisations	23,081,438	45,026,447
Religious Institutions	924,026	884,082
Non-Governmental Organisations (NGOs)	3,020,594	6,130,310
Foreign Embassies / United Nations	41,025,858	36,347,626
Donor Funded Projects (DFP)	154,918,453	222,352,672
Private Companies and Individuals	576,856,566	561,716,163
Mining Sector	89,620,629	16,580,386
Oil/Gas Exploration	23,069,349	28,327,486
Tanzania Investment Centre (TIC)	18,828,647	28,601,939
Associations/Clubs	6,003	-
Total	1,009,046,613	1,004,071,136

(b) Domestic Revenue

Exemptions granted during the period under Domestic Revenue are as shown hereunder:

Descriptions	30-June-2020	30-June-2020
	TZS '000	TZS '000
VAT relief granted under VAT Act CAP 148	520,459,126	258,308,464
Total	520,459,126	258,308,464

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

121. NATURAL RESOURCES AND TOURISM

Government of the United Republic of Tanzania conserves and protects the natural and cultural resources. The total area of natural forests in Tanzania is estimated to be 33.5 million hectares of forests and woodlands. These forests and woodlands are an important resources base for various economic activities in the country. The following are details of the natural resources.

Forest Division

Description	Area (000ha)	Percentage
TYPE OF FOREST		
Closed forests	1,400	4.18
Mangroves	115	0.34
Woodlands	31,985	95.48
Total	33,500	100.00
USE OF FOREST LAND		
Net productive area	23,755	78.04
Unproductive area	9,745	21.96
Total	33,500	100.00
LEGAL STATUS		
Forest reserves	13,059	38.98
Forest or woodlands within parks	2,000	5.97
Public forest lands	18,441	55.05
Total	33,500	100.00

Antiquities Division

The National Cultural Heritage Resources is administered by the Ministry of Natural Resources and Tourism through the Division of Antiquities. The Ministry has conducted researches on more than 500 sites country wise. 128 sites have been declared as Gazettes sites in the National Cultural Heritage Register. Among the 128 sites, seventeen (17) are directly administered by the Division of Antiquities and are open to public visitation.

Cultural and Heritage Assets:

Cultural and Heritage Assets are reported according to IPSAS 17 which requires a disclosure of the same. The Government through the Ministry of Natural Resources and Tourism conserved and protected these area for tourism and educational purposes:

No.	Site Name	Location		Type of Heritage	Importance
		Region	District		
1	Olduvai Gorge	Arusha	Ngorongoro	Archaeological and Palaeontological Site	Tourism / Education
2	Laetoli Footprints	Arusha	Ngorongoro	Archaeological and Palaeontological Site	Tourism / Education
3	Amboni Caves	Tanga	Tanga Urban	Geological Site	Tourism / Education
4	Tongoni Ruins	Tanga	Tanga Urban	Swahili Cultural Site	Tourism / Education
5	Bagamoyo Historical Town	Coastal	Bagamoyo	Historic Town	Tourism / Education
6	Caravan Serai Museum	Coastal	Bagamoyo	Slaves and Ivory Trade	Tourism / Education
7	Kaole Ruins	Coastal	Bagamoyo	Swahili Cultural Site	Tourism / Education

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

8	Kolo Rock Arts	Dodoma	Kondoa	Rock Art Painting	Tourism / Education
9	Dr. Livingstone Tembe, Kwihara	Tabora	Tabora Urban	Historic structure/house	Tourism / Education
10	Dr. David Livingstone Memorial Museum, Ujiji	Kigoma	Kigoma Urban	Historic site	Tourism / Education
11	Mbozi Meteorite	Mbeya	Mbozi	Geological Site/ Meteorite	Tourism / Education
12	Isimila Stone Age	Iringa	Iringa Rural	Stone Age Artefacts (Acheulian)	Tourism / Education
13	Kalenga Chief Mkwawa Mauseloum	Iringa	Iringa Urban	National Monument	Tourism / Education
14	Kilwa Kisiwani and Songo Mnara Ruins	Lindi	Kilwa	Early Coastal Settlement (Late Iron Age)	Tourism / Education
15	Kunduchi Ruins	Dar es Salaam	Kinondoni	Swahili cultural site	Tourism / Education
16	Mwl. Nyerere Memorial Museum	Dar es Salaam	Kinondoni	Museum	Tourism / Education
17	Engaruka Ancient Irrigation System Ruins	Arusha	Monduli	Historic Irrigation furrow	Tourism / Education

Wildlife Division

Protected Area Category	Number	Area (Km ²)
National Park	16	57,365
Ngorongoro Conservation Area	1	8,300
Game Reserve	28	114,782
Game Controlled Area	43	58,565

Forest and Beekeeping

Protected Area Category	Number	Area
Forest Plantation	19	308,442Ha
Natural Forest Reserve	405	13,891,139Ha
Forests in General Lands		2,405,000Ha
Game Controlled Areas	43	58,565Km ²

The List of United Republic of Tanzania National Parks and Game Reserves:

National Parks

Name	Area (Km ²)	Name	Area (Km ²)
Arusha	552	Rubondo Island	456
Gombe Stream	52	Serengeti	14,763
Katavi	4,471	Tarangire	2,850
Kilimanjaro	1,668	Udzungwa	1,990
Lake Manyara	648	Mkomazi	3,245
Mahale Mountains	1,613	Saadani	1,062
Mikumi	3,230	Kitulo	465
Ruaha	20,300	Burigi Chato National Park	4,707
TOTAL	32,534	TOTAL	2729,538

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)Game Reserves

Name	Area (Km Square)	Name	Area (Km Square)
Biharamulo	1,300	Moyowosi	6,000
Burigi	2,200	Msanjesi	210
Grumeti	2,000	Mpanga Kipengele	1,574.25
Ibanda	200	Muhesi	2,000
Ikorongo	3,000	Pande Forest	12
Kigosi	7,000	Rukwa	4,000
Kijereshi	300	Rumanyika	800
Kimisi	1,026.23	Rungwa	9,000
Kizigo	4,000	SaaNane	0.5
Lukwati	3,146	Lwafi	2,228
Lukwikwa/Lumesule	444	Selous	50,000
Maswa	2,200	Ugalla	5,000
Liparamba	570.99	Swagaswaga	871
Mkungunero	700	Uwanda	5,000

122. COMMITMENTS

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into at the balance sheet date. Commitments are classified as Capital commitments (aggregate amount of capital expenditure contracted for but not recognized as paid or provided for at balance sheet date), Non-cancellable operating leases with a lease term of more than one year, and Other non-cancellable commitments (these may include consulting contracts)

Vote	Vote Name	Amount TZS '000	Nature of Commitment
07	Treasury Registrar	2,183,000,000	Called-Up Shares
22	Public Debt and General Services	3,200,000	Bank Charges
		30,701,434.4	Contract Gratuity for Regional and District Commissioner
38	Tanzania Peoples' Defence Force	38,754.58	Accomplishment of various tasks
78	RAS - Mbeya	5,907,230	Construction of Mbeya Regional Commissioner's Office
96	Ministry of Information, Culture and Sports	390,252	Construction of National Stadium
	Wanging'ombe District Council	596,400.8	Council Building
		146,739.9	Council Hospital
		141,795.1	Rehabilitation of Makoga Health Centre

THE GOVERNMENT OF TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

123. QUOTED PRICES OF SHARES

	<u>30-June-2020</u>	<u>30-June 2019</u>
	TZS	TZS
Acacia Mining Plc (ACA)	-	5,200
CRDB Bank Plc (CRDB)	145	110
DCB Commercial Bank (DCB)	290	340
Dar es salaam Stock Exchange (DSE)	900	1,200
East African Breweries Limited (EABL)	3,660	4,470
Jubilee Holdings Limited (JHL)	5,400	8,950
Kenya Airways Limited (KA)	60	90
KCB Group Limited (KCB)	790	850
Maendeleo Bank Plc (MBP)	490	490
Mwalimu Commercial Bank Plc (MCB)	500	500
Mkombozi Commercial Bank Plc (MKCB)	780	800
Mufindi Community Bank Limited (MuCoBa)	400	400
National Investments Company Limited (NICOL)	165	175
NMB Bank Plc (NMB)	2,340	2,340
National Media Group Limited (NMG)	330	1,080
Precision Air Services Plc (PAL)	400	400
Swala Oil and Gas (Tanzania) Plc (SWALA)	490	490
Swissport Tanzania Plc (SWIS)	1,300	1,600
Tanzania Breweries Limited (TBL)	10,900	11,400
Tanzania Cigarette Company Limited (TCC)	17,000	17,000
Tanga Cement Company Plc (TCCL)	600	600
TCCIA Investment Plc (TICL)	350	385
TOL Gases Limited (TOL)	600	600
Tanzania Portland Cement Company Plc (TPCC)	2,200	2,000
TATEPA Limited (TTP)	120	120
Vodacom Tanzania Limited (VODA)	850	800
Yetu Microfinance Bank Plc (YETU)	550	550

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)**

124. RESTATEMENT OF PRIOR YEAR BALANCES

Restatements of prior period balances resulted on Reclassification within categories and Differences due to audit adjustments for entities which completed annual audit after audit of consolidated financial statements.

	Restated		
	30-June-2019	30-June-2019	Difference
	TZS '000	TZS '000	TZS '000
Statement of Financial Performance			
Taxes Revenue	16,879,608,573	17,031,967,854	(152,359,281)
Revenue From Exchange Transactions	3,624,499,857	3,638,237,790	(13,737,933)
Social Contributions	2,773,190,859	2,773,177,047	13,812
External Assistance - Grants and Aid	643,406,277	959,415,051	(316,008,774)
Finance Income	25,058,863	22,305,881	2,752,982
Levies	445,430,670	-	445,430,670
Fees, Fines, Penalties and Forfeits	3,321,212,947	4,526,390,960	(1,205,178,013)
Other Revenue	6,131,447,714	1,751,059,649	4,380,388,065
Fair Value Gains on Investment Properties	-	83,025,053	(83,025,053)
Fair Value Gains on Biological Assets	4,188,922	3,659,537	529,385
Fair Value Gains on Actuarial Valuation of Defined Benefit Plans	48,147,327	-	48,147,327
Fair Value Gains on Financial Assets	136,959,276	-	136,959,276
Gains on Foreign Currency Translation	-	316,954,379	(316,954,379)
Gains on Disposal of Assets	-	109,432	(109,432)
Wages, Salaries and Employee Benefits	10,998,090,652	10,927,828,010	70,262,642
Supplies and Consumables Used	4,493,705,967	8,011,229,174	(3,517,523,207)
Routine Repair and Maintenance Expenses	1,032,693,041	2,879,729,016	(1,847,035,975)
Social Benefits	3,042,967,066	2,657,780,660	385,186,406
Finance Costs	2,459,610,970	-	2,459,610,970
Other Expenses	1,510,094,196	1,510,094,196	-
Provision for Obsolete Inventories	4,244,710	-	4,244,710
Depreciation of Property, Plant and Equipment	2,912,364,701	2,893,007,426	19,357,275
Depreciation of Investment Properties	10,295,187	60,309,476	(50,014,289)
Amortization of Intangible Assets	38,800,203	33,303,859	5,496,344
Impairment of Property, Plant and Equipment	11,036,931	27,774,275	(16,737,344)
Impairment of Intangible Asset	567,404	8,163,520	(7,596,116)
Impairment of Investment Property	2,224,162	-	2,224,162
Impairment of Receivables	807,697,104	518,093,650	289,603,454
Impairment of Loans	66,151,747	-	66,151,747
Fair Value Losses on Equity Investments	100,755,058	6,159,306	94,595,752
Fair Value Losses on Government Securities	87,316,555	-	87,316,555
Fair Value Losses on Investment Property	10,861,896	35,700	10,826,196
Fair Value Losses on Marketable Securities	11,627,624	-	11,627,624
Losses of Foreign Currency Translation	34,820,622	86,679,072	(51,858,450)
Losses on Disposal of Assets	3,787,978	1,826,862	1,961,116
Statement of Financial Position			
Cash and Cash Equivalent	5,912,265,066	6,511,969,485	(599,704,419)
Fixed Deposits/Placements	137,201,891	440,398,994	(303,197,103)
Equity Investments	1,586,363,048	682,867,273	903,495,775
Receivables	5,984,065,322	9,005,384,906	(3,021,319,584)
Loans Receivables	8,644,912,470	8,193,128,600	451,783,870
Prepayments	2,551,495,383	-	2,551,495,383
Inventories	1,878,979,306	2,114,773,152	(235,793,846)
Other Financial Assets	605,009,205	2,688,376,545	(2,083,367,340)

THE GOVERNMENT OF TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (Continued)

	Restated		
	30-June-2019	30-June-2019	Difference
	TZS '000	TZS '000	TZS '000
Investment Property	7,358,993,062	7,326,342,797	32,650,265
Property Plant and Equipment	69,358,245,224	71,330,230,822	(1,971,985,598)
Intangible Asset	342,815,671	394,284,447	(51,468,776)
Biological Assets	131,809,443	247,882,684	(116,073,241)
Investments in Associates and Joint Ventures	1,249,158,032	1,044,384,722	204,773,310
Investments in Controlled Entities (Subsidiaries)	404,822,317	-	404,822,317
Non Current Assets Held for Sale	7,733,260	4,801,724	2,931,536
Payables and Accruals	9,371,647,806	7,732,305,817	1,639,341,989
Deposits from Banks and Non-Bank Financial Institutions	29,217,688	-	29,217,688
Deposit - Others	3,052,436,833	1,523,915,892	1,528,520,941
IMF Related Liabilities	1,206,939,205	1,076,082,364	130,856,841
Borrowings (Public Dept)	47,918,306,555	46,357,440,188	1,560,866,367
Other Borrowings by Government Entities	6,283,458,935	6,265,834,312	17,624,623
Other Financial Liabilities	499,243,032	1,246,062,078	(746,819,046)
Employee Benefits Liabilities	433,427,140	1,223,746,157	(790,319,017)
Retirement Benefits Obligations	647,254,339	-	647,254,339
Provisions	1,010,271,148	764,599,643	245,671,505
Deferred Income (Recurrent)	18,348,371	555,220,085	(536,871,714)
Deferred Income (Development)	4,569,110,751	617,782,941	3,951,327,810
Taxpayer Fund	42,566,396,217	48,313,818,614	(5,747,422,397)
Foreign Currency Revaluation Reserves	33,162,377	3,131,866	30,030,511
Fair Value Reserves	2,623,602,607	760,146,847	1,863,455,760
Deferred Tax Reserves	20,505,998	294,542,423	(274,036,425)
Defined Benefit (Actuarial) Reserves	18,409,937	95,771,595	(77,361,658)
Revaluation Surplus	469,076,980	-	469,076,980
Other Reserves	7,674,746,734	7,701,710,249	(26,963,515)
Accumulated surpluses/(deficits)	(40,323,975,006)	(37,556,850,681)	(2,767,124,325)



CPA Francis Mwakapalila
Accountant

8th March, 2021
Date

General

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Permanent Secretary and Paymaster General,
Ministry of Finance and Planning,
Jakaya Kikwete Street,
The "Treasury Square Building",
P.O. Box 2802,
40468 DODOMA.

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

I have audited the Consolidated Financial Statements of the Government of Tanzania, which comprise the Consolidated Statement of Financial Position as at 30th June, 2020 and the Consolidated Statement of Financial Performance, Consolidated Statement of Changes in Net Assets/Equity, Consolidated Cash Flows Statement and the Consolidated 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, except for the effects of the matters described in the basis for qualified opinion section of my report, the accompanying Consolidated Financial Statements present fairly in all material respects, the financial position of the government of Tanzania as at 30th June, 2020, 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 in the manner required by the Public Finance Act, 2001 (revised 2004).

Basis for Qualified Opinion

**Misstatements of Consolidated Government Securities due to non-elimination
TZS 1,192,981,801,000**

My review of the Consolidated Financial Statements noted that, Government Securities has been reported at TZS 1,230,069,507,000. My further review of its related Note 76 and individual financial statements of Bank of Tanzania revealed that, the reported figure include TZS 1,192,981,801,000 which is made up by Special Treasury Bonds TZS 991,590,579,000 and Treasury EPA Stock TZS 201,391,222,000 held by Bank of Tanzania. The total balance of TZS 1,192,981,801,000 has not been fully eliminated as required by Para 40(c) of IPSAS 35. This has resulted to overstatement of reported Government Securities by TZS 1,192,981,801,000.

Non-elimination and mismatch of eliminated figure of cash and cash equivalents between the Government entities TZS 416,605,448,000

My review of consolidated financial statements noted that, cash and cash equivalent of ten (10) entities were over eliminated by TZS 175,251,213,000 and one entity was under eliminated by TZS 127,796,185,000 hence making a total mismatch of eliminated entities of TZS 303,047,398,000. Also, a total of TZS 113,558,050,000 from 38 government entities were not eliminated from the reported balance of cash and cash equivalents in the consolidated financial statements and therefore, the reported cash and cash equivalent is misstated by TZS 416,605,448,000.

Unsupported balances and changes in Investments in Controlled Entities (Subsidiaries) TZS 432,621,836,000

My review of Consolidated Financial Statements and their supporting schedules noted that the Consolidated Cash Flow statement reported Acquisition of shares in subsidiary TZS 56,085,321,000 under Cash Flow from Investing Activities, however, contradicts with Note 90 of Investments in Controlled Entities (Subsidiaries) which reported increase in Investments in Controlled Entities (Subsidiaries) from TZS 404,822,317,000 to TZS 893,529,474,000 without supporting information other than TZS 56,085,321,000. Therefore, unsupported movement in balances under Note 90 amount to TZS 432,621,836,000.

Un-reconciled mismatch of reported monetary additional of Non-current assets in Statement of Cash Flows and movement schedules TZS 635,931,015,000

My review of Consolidated Financial Statements noted a mismatch of TZS 635,931,015,000 between reported figures of acquisitions of non-current assets in Cash Flow Statements under investing activities when compared to monetary additions of assets in the movement schedules contrary to requirements of IPSAS 2. In addition, there are mismatch of prior year's Assets carried down balances with balances brought forward (at cost) worth TZS 1,151,830,660,000. Such changes could not be validated and therefore, the reported assets figure might be materially misstated.

Overstatement of borrowings (public debt) due to non-elimination of qualifying items TZS 2,464,491,922,880

My review of Consolidated Statement of Financial Position for the as at 30th June 2020 and GACS Note 101 noted borrowings (Public Debts) comprising of Net deficit position (Loan to other PSEs) TZS 780,154,646,991.25; Government stocks TZS 252,724,429,876.59 and Special Bonds TZS 1,027,673,228,012.25 were not eliminated. Furthermore, test done on the sampled individual financial statements of government institutions with balances of government securities noted that a total amount of TZS 403,939,618,000 was also not eliminated, making in total TZS 2,464,491,922,880 not eliminated. This has resulted to overstatement of reported borrowings to the tune of TZS 2,464,491,922,880.

Non-disclosure of adjustments or reconciliation of figures reported in Statement of Cash flows

My review of the Consolidated Financial Statement of Cash Flows and Financial Performance Statement noted un-reconciled receipts and payments TZS 8,452,485,087,000 and TZS 9,445,308,089,000 respectively under operating activities.

These items were not supported by disclosure notes for the adjustments or reconciliation made to arrive at the reported figures which is contrary to Para 28 & 29 of IPSAS 2 and Para 3.1.6 of the Accountant General

Circular No. 6 of 2019/20. Due to absence of notes of adjustments/reconciliations between receipts and payments reported in the statement of cash flow and the changes of the items in financial position statement (i.e. receivables and payables/accrual), I could not ascertain whether changes have amounted to the reported cash inflows and cash outflows statement.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Government of Tanzania 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 consolidated financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other matter

Without qualifying my audit opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

Lack of GACS integration roadmap with MUSE and other government Financial Management Systems

I reviewed Government Accounting Consolidation System (GACS) and established potential strategic integration of GACS application system with other major application systems in the government. My walkthrough of GACS noted that figures of financial statements line items are entered manual by government entities based on their audited financial statements and a team of consolidation verifies and approves submitted balances.

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

I am concern that, this is subjected to human errors and administration overhead which can lead to misstatements and it is time consuming. Though the ministry is eager to integrate GACS with MUSE to enable real time capturing of transactions and consolidation of financial statements, I noted that, there is no clearly documented roadmap that outlines activities and timelines towards achieving integration of GACS with MUSE and other government accounting systems.

Other Information

Management is responsible for the other information. The other information comprises the Statement of Honorable Minister, the Statement by the Paymaster General, the Statement of Management Responsibility on the Consolidated Financial Statements, Commentary Notes on the consolidated financial statements and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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 consolidated 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

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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.
- 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 consolidated 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

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.



Charles E. Kichere
Controller and Auditor General
Dodoma, United Republic of Tanzania.
31st March, 2021



Copy: Chief Secretary,
President's Office - State House,
1 Julius Nyerere Road, Chamwino,
P.O. Box 1102,
40400 DODOMA.