



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



NATIONAL DEVELOPMENT CORPORATION (NDC)

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

ISO 9001:2015 Certified

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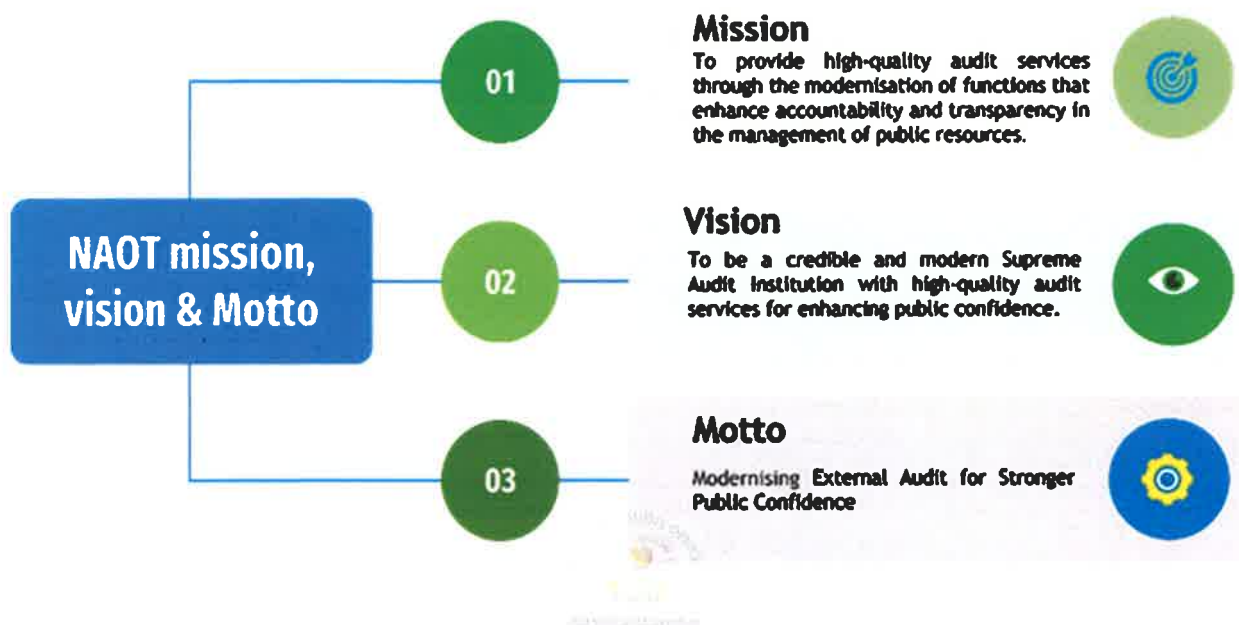
February 2024

AR/PA/NDC/2022/23

About the National Audit Office

Mandate

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



Independence and objectivity

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

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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Abbreviations

CSP	Corporate Strategic Plan
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
IAS	International Accounting Standards
ICT	Information Communication Technology
IETL	Intra Energy Tanzania Limited
IFRS	International Financial Reporting Standards
JORC	Joint Ore Reserve Committee
JVC	Joint Venture Company
KM	Kilometre
KMTC	Kilimanjaro Machine Tools
KV	Kilovolt
KWH	Kilowatt Hour
MoU	Memorandum of Understanding
NDC	National Development Corporation
PACA	Participatory Appraisal of Competitive Advantage
PAP	Project Affected People
PLs	Prospecting Licenses
PPA	Public Procurement Act
PPP	Public Private Partnership
TANCOAL	Tanzania Coal Energy Limited
TANESCO	Tanzania Electrical Supply Company Limited
TIC	Tanzania Investment Centre
TZS	Tanzania Shillings
URT	United Republic of Tanzania
USD	United States Dollars

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board of Directors,
National Development Corporation,
Development House,
Kivukoni Front/ Ohio Street,
P. O. Box 2669,
Dar es Salaam.

1.1 REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the consolidated financial statements of National Development Corporation, which comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended in accordance International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

Key Audit Matters

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



Other Information

Management is responsible for the other information. The other information comprises the Director's Report or any other equivalent report, statement of management responsibility and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a no material misstatement of this other information, I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

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

Conclusion

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

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the National Development Corporation for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of National Development Corporation is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
February 2024



2.0 THE REPORT OF THOSE CHARGED WITH GOVERNANCE

In compliance with the Public Corporations Act, 1992 and the Tanzania Financial Reporting Standard No. 1 on Those who charged with Governance hereby submit their Report and Consolidated Audited Financial Statements of National Development Corporation, for the year ended 30 June 2023.

2.1 ESTABLISHMENT

The Corporation is incorporated under National Development Corporation (Establishment) Order G.N. No. 90 of 1969; The Public Corporations Act, 1969 (Act No. 17 of 1969).

2.2 CORPORATE OUTLOOK

VISION

To lead industrial development in Tanzania.

MISSION

To implement basic and strategic industrial development ventures.

CORE VALUES AND PHILOSOPHY

The National Development Corporation (NDC) will operate based on the following core values: Innovation, Excellence, Integrity, Transparency and Accountability.

2.3 PRINCIPAL MANDATES

The generic role and mandate of NDC is to promote industry-led economic development by;

- 2.3.1** Leading the development of basic and strategic industries based on the country's rich endowments in Agro-processing, natural resources and geographical location;
- 2.3.2** Identifying and promoting development of required industrial support infrastructure and services to spur the development of internationally competitive economy driven by global markets and trade.
- 2.3.3** Promoting entrepreneurship and domestic private sector development, including mobilizing development resources for project development, equity financing, loan guaranteeing and managerial services;
- 2.3.4** Caretaking national economic and social interests on behalf of Tanzanians, holding shares in the operating Joint Venture Companies responsible for exploitation of strategic industrial resources with a prior determined exit strategy so as to allow participation of the citizenry in the future.

2.3.5 Advising the Government on general industrial and development policies and development strategies.

2.4 CORPORATE GOVERNANCE

The Board Chairman is appointed by the President of the Republic of Tanzania and Members of the Board of Directors are appointed by the Minister of Industry, Trade and Investments while the Chairman is appointed by the President of the United Republic of Tanzania. The Corporation is committed to the principles of effective corporate governance.

The Board delegates the day-to-day management of the business to the Managing Director assisted by Executive Management Team. Executive Management Team is invited to attend Board meetings and facilitates the effective control of all the Corporation's operational activities, acting as a medium of communication and coordination between various business units.

The Corporation is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability. As one of its several strategies of fostering a high standard of good corporate governance the Board of Directors appointed three committees namely, the Audit and Risk Management Committee, Finance and Investment Committee and Human Resources Committee.

2.4.1 Composition of the Board of Directors

The Board of Directors consists of eight Directors. Only one holds executive position in the Corporation and seven are non-executive directors. The Board takes overall responsibility for the Corporation, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and that the Corporation complies with sound corporate governance principles.

Board Directors:

No.	Name	Status	Age	Qualification	Appointed Date
1	Dr. Yamungu Kayandabila	Chairperson	52	PhD in Economics	16 September 2021
2	Dr. Edwin P. Mhede	Deputy Chairperson	46	PhD in Development Economics	1 October 2021
3	Dr. Pendo N. Bigambo	Member	39	PhD in Mechanical Engineering	1 October 2021
4	Dr. Abdurahman S. Mwanga	Member	47	PhD in Mineral Processing	1 October 2021
5	Mr. Edson F. Mweyunge	Member	45	1st graduate certificate of International Trade Law	1 October 2021
6	Dr. Godfrey S. Ayubu	Member	50	PhD in Architecture	1 October 2021
7	Mr. Nathaniel M. Mhonge	Member	52	Msc Land Management	1 October 2021
8	Dr. Nicolaus H. Shombe	Managing Director - Secretary	46	PhD in Development Economics	29 October 2021

Meetings attended:

No.	Name	Status	12/8/2022	9/11/2022	7/2/2023	16/6/2023	27/6/2023 (Extra Ordinary)
1	Dr. Yamungu Kayandabila	Chairperson	v	v	v	v	v
2	Dr. Edwin P. Mhede	Deputy Chairperson	-	v	v	v	v
3	Dr. Pendo N. Bigambo	Member	v	v	v	v	v
4	Dr. Abdurahman S. Mwanga	Member	v	v	-	v	v
5	Mr. Edson F. Mweyunge	Member	v	-	v	v	v
6	Dr. Godfrey S. Ayubu	Member	v	v	-	v	v
7	Mr. Nathaniel M. Mhonge	Member	-	v	-	v	v
8	Dr. Nicolaus H. Shombe	Managing Director Secretary	v	v	v	v	v

The Board is required to hold at least four meetings during the year. Actual number of meetings held during the year were five. Issues discussed at those meetings included, among others, the following: -

- (i) Approved the acquiring Primary Mining Licenses in Ludewa District to be utilized for coal mining and sale in collaboration with local companies with immediate effect.
- (ii) Deliberated completion of negotiation with Labiofam which resulted into signing of a supplement of Mixed Licences Contract for production of additional three types of Biopesticides (Thurisave 13, 24 and 26).
- (iii) Deliberated follow-up on acquisition of Mining License for Engaruka Soda Ash Project and Compensation fund from the Ministry of Finance and Planning.
- (iv) Deliberated and approved withdrawal from Joint Venture Company namely Global Packaging Limited in which NDC owned 6% shares.

2.4.2 Composition of Board Committees

(i) AUDIT AND RISK MANAGEMENT					
	Name	Status	Age	Qualification	Effective Date
1	Mr. Edson F. Mweyunge	Chairperson	45	1st graduate certificate of International Trade Law	Appointed 27 Dec 2021
2	Dr. Pendo N. Bigambo	Member	39	PhD in Mechanical Engineering	Appointed 27 Dec 2021
3	Dr. Godfrey S. Ayubu	Member	50	PhD in Architecture	Appointed 27 Dec 2021
4	Mr. Nathaniel M. Mhonge	Member	52	Msc. Land Management	Appointed 27 Dec 2021
5	Dr. Nicolaus H. Shombe	Managing Director Secretary	46	PhD Development Economics	Appointed 29 Oct 2021

The Audit and Risk Management Committee held a total of four meetings in August 2022, November 2022, January 2023 and June 2023 during the Financial Year 2022/23.

One of the primary issues that were the subject of the Committee's deliberations are, Rehabilitation of KMTC by installation of induction furnace, overhead crane, electrical systems, ICT services, galvanizing plant, foundry for KMTC to start mass production.

(ii) FINANCE AND INVESTMENT COMMITTEE					
	Name	Status	Age	Qualification	Effective Date
1	Dr. Edwin P. Mhede	Chairperson	46	PhD in Development Economics	Appointed 27th Dec, 2021
2	Dr. Pendo N. Bigambo	Member	39	PhD in Mechanical Engineering	Appointed 27th Dec, 2021
3	Dr. Godfrey S. Ayubu	Member	50	PhD in Architecture	Appointed 27th Dec, 2021
4	Dr. Abdulrahman S. Mwanga	Member	47	PhD in Mineral Processing	Appointed 27th Dec, 2021
5	Mr. Nathaniel M. Mhonge	Member	52	Msc. Land Management	Appointed 27th Dec, 2021
6	Mr. Edson F. Mweyunge	Member	45	1st graduate certificate of International Trade Law	Appointed 27th Dec, 2021
7	Dr. Nicolaus H. Shombe	Managing Director Secretary	46	PhD in Development Economics	Appointed 29th Oct, 2021

The Finance and Investment Committee held four meetings in August 2022, November 2022, January 2022 and June 2022.

Some issues that were deliberated are;

- (i) Procurement of debt collector for collecting debts from Ursus Tractors' debtors and other Corporation's debts.
- (ii) Preparation Background Paper for enactment of NDC new Legislation to carter for the current business mode.
- (iii) Application for Mining Licenses for Engaruka Soda Ash Project,
- (iv) Monitoring and Evaluation Guideline for monitoring compliance and Communication Strategy for effective communication between NDC and stakeholders and Resource Mobilization Strategy for mobilizing resource to increase own source.
- (v) Recommend to NDC's exit from Joint Venture Company between NDC and Global Packaging Limited where NDC holds 6% of shares.

(i) HUMAN RESOURCES COMMITTEE					
No.	Name	Status	Age	Qualification	Effective Date
1	Dr. Pendo N. Bigambo	Chairperson	39	PhD in Mechanical Engineering	Appointed 27th Dec, 2021
2	Mr. Edson F. Mweyunge	Member	45	1st graduate certificate of International Trade Law	Appointed 27th Dec, 2021
3	Dr. Edwin P. Mhede	Member	46	PhD in Development Economics	Appointed 27th Dec, 2021
4	Dr. Nicolous H. Shombe	Managing Director-Secretary	46	PhD in Development Economics	Appointed 27th Dec, 2021

The Human Resources and Administration Committee held four meetings in August 2022, November 2022, February 2023 and June 2023 during the Financial Year 2022/23.

Some pertinent issues that were deliberated by the Committee includes;

- (i) The appointment of the Tanzania Biotech Products Limited (NDC Subsidiary Company) Board of Directors to oversee the management of the factory.
- (ii) The Committee also deliberated and recommend to the Board approval of the Clients' Service Charter which outlines the channel of communications to and from NDC and to enhance effective handling of NDC's clients in terms of rights, responsibilities and customer service standards.
- (iii) The Committee also deliberate and recommend approval of the Organization Structure, the Board Charter and other guidelines to ensure compliance with corporate governance.

2.4.3 Remuneration

The Directors' remuneration for services rendered as directors of the Corporation is TZS 82,000,000/= per year payable on quarterly basis.

2.5 Capital Structure

The Corporation's capital structure during the period under review is shown in the statement of financial position. The source of corporate funding has been through own sources from Investment properties and Associate Companies and Government annual budgetary allocations.

2.6 Management

The Management of the Corporation is under the Managing Director and is organized in the following Directorates:

- a) Finance
- b) Heavy Industries
- c) Research, Planning and Development
- d) Strategic Value Addition

Six support services unit report directly to the Managing Director. These units are:

- a) Internal Audit Unit - Administratively reports to the Managing Director; functionally reports to the Audit Committee of the Board;
- b) Procurement Management Unit - in line with Public Procurement Act, 2011, its regulations 2013 and amendment 2016;
- c) Legal Unit - for the provision of legal services;

- d) Corporate Affairs Unit- for effective communication with stakeholders;
- e) Human Resources' Unit - for Personnel and Administrative issues.
- f) Investment Unit- for Appraise of the project proposals, Monitoring and Evaluation of Corporation Investments (review of Subsidiaries and Associate progress reports)

2.7 Shareholders of NDC

The Corporation is wholly owned by the Government of the United Republic of Tanzania through the Treasury Registrar.

2.8 BUSINESS STRATEGIC OBJECTIVES

The Corporation focus on the following strategic objectives:

- (ii) Development and implementation of basic and high impact industries;
- (iii) Development and implementation of value addition industries.

2.9 CURRENT AND FUTURE DEVELOPMENTS

NDC is striving in development of Basic and value addition industries to address multi-industry and national interest for the development of the national economy by influencing country's production and trade structure through industrial development (industrialization) for employment creation, value addition, income generation, technology transfer innovation, and foreign exchange earnings.

To realize its vision and mission, the National Development Corporation (NDC) has developed a Corporate Strategic Plan which covers the period of five years (2021/22 to 2025/26) drawing the strategic priorities from the achievements of the predecessor, the lessons learnt, emerging issues and challenges to align with the current prevailing circumstances. The corporation has established internal guidelines including investment guideline, resource mobilization and electronic systems in governing its operations for improving the performance and efficiency in executing its mandate. NDC operations are also compliant with National Industrial development policies, strategies and plans including 2020 Ruling Party Election Manifesto, Five Years Development Plan III (2020/21-2025/26), Sustainable Development Goals (Goals 2015 - 2030) and Integrated Industrial Development Strategy 2025.

The plan clearly stipulates new projects, ventures and investments which will be of priority. The plan also articulates current industrial sector operating environment and the circumstances facing basic and value addition industries and considered long term trends likely to impact on the value, innovative and adaptive capacity of Tanzania industries and how NDC will execute all the strategies in line with the Corporation mandate.

During the year, NDC engaged in various projects whose profile includes:

- (1) Mchuchuma and Liganga Project;
- (2) Maganga Matitu Kasi Mpya Sponge Iron;

- d) Corporate Affairs Unit- for effective communication with stakeholders;
- e) Human Resources' Unit - for Personnel and Administrative issues.
- f) Investment Unit- for Appraise of the project proposals, Monitoring and Evaluation of Corporation Investments (review of Subsidiaries and Associate progress reports)

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During the year, NDC engaged in various projects whose profile includes:

- (1) Mchuchuma and Liganga Project;
- (2) Maganga Matitu Kasi Mpya Sponge Iron;

- (3) Engaruka Soda Ash Project;
- (4) South Ngaka Coalfields;
- (5) Singida Wind Power Project;
- (6) Tyre Manufacturing Plant;
- (7) Revitalization of Kilimanjaro Machine Tools;
- (8) Singida Solar Power Project;
- (9) Bio-products Project;
- (10) Maganga Matitu Sponge Iron and Katewaka Coal Project;
- (11) Industrial Estates (Nyanza- Mwanza, TAMCO-Kibaha and Kange Industrial Park -Tanga);
- (12) Large Scale Sesame Farming in Kilwa and Edible Oil Production Project;
- (13) Kalunga and Kihuhwi Rubber Plantations and
- (14) Tractor Assembly Plant

Given below are the brief explanations on performance of planned project activities during the period under review and future developments the board intends to achieve;

2.9.1 Mchuchuma and Liganga Projects

Mchuchuma Coal and Liganga Iron Ore & steel projects are being developed and implemented by the Joint Venture Company (JVC) namely; Tanzania China International Mineral Resources Limited (TCIMRL). Mchuchuma Project involves establishment of coal mine and power station including power transmission line between Mchuchuma and Liganga. Liganga project entails establishment of an iron ore mine, beneficiation plant and iron and steel plant. Total project investment is USD 3.0 billion and expected income generation is USD 1.73 billion per annum from sales of electricity, coal, iron and steel products, titanium, vanadium, etc. The projects will create employment of about 32,000 jobs both direct and indirect. EIA Certificates, Special Mining Licenses (SML) and Strategic Investor Status Certificate and subsequently Performance Contract between the Government through Tanzania Investment Centre (TIC) and TCIMRL are in place.

During the period under review compensation exercise amounting to TZS 15.4 billion for People Affected by Project (PAPs) at Mchuchuma and Liganga area was carried out. The implementation of compensation is an important step in the development of the project. However, the project development is expected to continue after the completion of the ongoing negotiations between the Government and the Investor (Sichuan Hongda Group).

2.9.2 Maganga Matitu Sponge Iron and Katewaka Coal Project

The project is located at Liganga area, Ludewa District, Njombe Region about 850 km from Dar es Salaam. The project was implemented previously by Maganga Matitu Resource Development Company Limited (MMRDL), a Joint Venture Company between NDC and MM Steel Resources Public Limited. JORC Report for Maganga Matitu completed in 2017/18 concluded that the reserve for iron ore is 8.0 million tons only which is not enough for commercial

production of sponge iron as previously anticipated. However, coal proven reserve at Katewaka coal field is 100 million tons, sufficient for commercial use.

MM Resources PLC withdraw production of sponge iron due to insufficient resource and requested for Change of Business Model from development and establishment of sponge iron production to commercial coal mining for industrial use and for power generation. NDC continues to maintain the Prospecting Licenses of the Maganga Matitu until the planned shareholders' agreement has been negotiated and signed. Also, NDC has secured three mining licences for Katewaka coal concession. The planned coal production capacity for the Coal mine is 1.0 million tons per annum. As per the feasibility study, the investment cost of the coal mine is about US\$ 50 million for a coalmine of 1.0 million tons per annum. Implementation of the project is expected to take place as soon as a contract re-negotiation's consensus is reached.

NDC secured another investor Fujian Hexangwang Company limited to develop the Maganga Matitu iron ore and leave the Katewaka Coal to its JV company MMRDL. During the period under review, NDC conducted renegotiation meetings with MM Steel Resources PLC to accommodate changes of business model, NDC's Investment Guidelines and The Mining Act [CAP. 123 R.E. 2019] to start coal mining.

Further, NDC conducted negotiation meetings with investor Fujian Hexingwang Company for finalizing process towards signing of Joint Venture Agreement to start iron ore production.

2.9.3 Engaruka Basin Soda Ash Project

Engaruka soda ash project is located 190 km from Arusha City and 58 km southeast of Lake Natron in Monduli District, Arusha Region. NDC, in partnership with strategic investor(s), intends to establish a soda ash extraction plant. Currently, the project is being developed by NDC and will involve construction of soda ash processing plant and establishment of mine (boreholes) for pumping of liquid sodium carbonate (brine) from aquifers (underground reservoirs). The project will also involve establishment of associated infrastructure to support the plant and mine. Soda ash production will start for the capacity of 500,000 tonnes per annum, eventually expanding to 1,000,000 tonnes per annum as proposed in feasibility study.

The soda ash is targeted to satisfy the local requirements and the balance will be exported through Tanga Port. The project is expected to generate revenue of about USD 320 million per annum from sales of soda ash and will create about 3,000 jobs. The Government will earn revenue through royalties, various taxes, land rent.

Decision making for implementation of the project reckons on successful completion of Bankable Feasibility Study Report of the Engaruka Soda ash Project. The studies completed and final report was submitted in June 2021. The results of the Techno-Economic estimated existence of 3.294 billion cubic meters of brine in the basin, which is equivalent to 664 million tonnes of sodium carbonate and 59 million tonnes of sodium bicarbonate.

During the Techno-economic study, it was identified that drilling of additional exploratory cum production boreholes to depths of not less than 300 metres should be undertaken in order to refine assessment of aquifer properties before, during and after drilling. The same boreholes to be used as production boreholes for brine extraction during commercial operations.

Preparations to secure an investor have already started by preparing and completing the necessary documents for tendering. Assessment done proposed the JV is the best mode for implementation of the project. The preparation of procurement documents (Request for Qualification (RFQ) & Request for Proposal (RFP) have been completed during the year under review.

During the period under review, valuation exercise of People Affected by Project (PAPs) was conducted. The cost of compensation is TZS 14.5 billion. The valuation report (books) has been received by NDC from Monduli District Council (Consultant) and submitted to Ministry of Finance and Planning through parent Ministry for requesting fund for compensation of PAPs. This will pave way for implementation without encumbrances.

2.9.4 Ngaka Coal Project

The project is being implemented by the Joint Venture Company; Tancoal Energy Limited (TANCOAL). The project includes establishment of a coal mine with capacity of 1.5 million Tonnes per annum and 400 MW power plant. Coal is sold within the country as well as Kenya, Uganda, Malawi, Zambia and Rwanda. The project has created employee's direct jobs for 146 employees.

During the period under review, TANCOAL has mined a total of 213,759 tons and during the same period sales were 234,894.2 tons (166,931.6 tons to the local market and 67,962 tons to the foreign markets). It was reported that the drop of production and sales of coal is due to increasing depth on mining area which needs some more capital injection to procure mining equipment.

Despite of the ongoing coal mining operations, TANCOAL has not realised any profit in coal business since its commencement. For quite some time the Government through NDC has been following up on performance of TANCOAL operations, which the Government through NDC does not benefit from dividend due to losses. To rescue the situation, in April 2020, the Government has formed the Government Negotiating Team to negotiate with NDC partner Intra Energy Tanzania Limited (IETL) and turn up the company to be performing entity and make profit.

Moreover, Intra Energy Tanzania Ltd showed intention to sale its 70% share in Tancoal Energy Limited. Partner company (Intra Energy Tanzania Ltd) offered its shares to NDC and revoked its intention. The matter was taken to Fair Competition Commission (FCC) for resolution. The matter was amicably resolved out of FCC under the supervision of the parent ministry. The Parties agreed to review the existing JVA with a view to achieve win-win situation. The major changes agreed between the parties include injection of capital by the majority shareholder, foregoing previous shareholders loans to relieve the JVC from higher indebtedness, changing

the system of managing the JVC by observing principles of good governance under which shareholders will manage the JVC through Board of Directors, and Minority shareholder's right to appoint Chief Internal Auditor.

2.9.5 Singida Wind Power Project

The wind farm project is located at Kisasida, Unyankanya and Mughamo Villages in Singida Urban District in Singida Region. Singida Wind Power Project is designed to generate 50 MW based on wind resource in Singida Municipality and supply power to the National Grid. Geo Wind Power Tanzania Ltd (Geo Wind) is a Joint Venture Company that was incorporated on 21 July 2011. The partnership was between the National Development Corporation (NDC) with 60% shares, Tanzania Electricity Supply Company (TANESCO) had 20% shares and Power Pool East Africa Limited (PPEAL) had 20% shares. As per the contract, each part has its duties and responsibilities. NDC had a responsibility of securing finances for the project through Tanzania Government guarantee or any other arrangement.

In 2018 TANESCO requested to withdraw from the JVC due to a change of the Energy Policy and Regulations that required TANESCO to be the only electricity off-taker, having the mandate to generate, transmit and distribute electricity. So, to avoid conflict of interest TANESCO withdrew from the JVC.

The project was qualified for getting 100% Concessional Loan from EXIM Bank of China; however, the project was delisted from getting Government Guarantee. Instead, the Government directed the project to be financed through PPP arrangement. The project stalled for a long time after the delisting to get Government guarantee. NDC did not discharge its contractual obligations until Geo Wind wrote a letter requesting NDC to withdraw from the JVC to let the project continue without Government involvement through NDC. Contractual analysis to establish whether or not withdrawal from the project is viable is currently undertaken.

2.9.6 Revival Of Arusha Tyre Manufacturing Factory

The General Tyre East Africa Limited (GTEA) was established in 1 February, 1969 as a Joint Venture Company. It is located in Themis Njiro Industrial Area within Arusha City, Tanzania and covers an area of 50.4 acres with 42.9 acres being developed. First shareholders were the Government of United Republic of Tanzania (74%) and General Tyre North America (GTNA) (26%).

The purpose of GTEA establishment was to manufacture and sell a full range of car tyres under the General Tyre Brand namely "General" and started its operations in November 1971. The Government of United Republic of Tanzania acquired 100% ownership of GTEA in 2015. However, in 2007 the factory stopped production due to old technology. Official handover of GTEA factory between NDC and the Treasury Registrar (TR) was made on 20 December 2018.

During the year under review, NDC completed the Business Case in August 2022 that proposed the establishment of a new modern tyre manufacturing plant in GTEA and provided a rationale for finding an investor for the production of 1,300,000 tires per year.

2.9.7 Revitalization Of Kilimanjaro Machine Tools Plant

Kilimanjaro Machine Tools (KMTC) was established to manufacture metal working machine tools, and woodworking machines. A plan was to establish a machine shop and foundry for the machine tools company to operate smoothly. However, a machine shop was established but a foundry was not established. Therefore, the company could not realize intended goals. In revitalizing KMTC, products earmarked to be manufactured are mainly agricultural post-harvest processing machines, woodworking machines, industrial spares and repair, and various machines in all sectors of economy as needed in the country. Funds are required to revitalizing the machine tools and resume its operations including expansion to manufacture other needed products.

Installation of induction furnace for foundry and installation of galvanizing plant was conducted and completed in financial ended June 2023. For the case of foundry production trials are ongoing. During the period under review, the Government disbursed TZS 1.944 billion for rehabilitation of electrical system and building at the factory and procurement of raw materials. KMTC has been incorporated as a subsidiary company of NDC with the plan to start commercial production financial year 2023/24.

2.9.8 Singida Solar Power Project

NDC in collaboration with a strategic investor to be found, intends to establish a solar farm in Singida Region for generation of 100MW to be connected to the National Grid to supply domestic and industrial loads in the country. It is a quick win project that can be implemented (constructed) in less than one (1) year duration. Feasibility Study and updates including ESIA study were completed followed by issuance of ESIA certificate in July 2017. The total investment cost for construction of 100MW Solar Project, including the 14km 220kV Transmission Line is USD 126 Million. Both studies have confirmed that the project is technically feasible, economically/financially viable and environmentally sustainable. About 569ha of land have been identified for development of the project while arrangements for acquiring 150ha of land at Unyanga Village in Singida Municipality are at an advanced stage.

After completion of Feasibility study, NDC in collaboration with Sinohydro, engaged TANESCO to discuss on implementation of the project, including reviewing the Feasibility Study and updates. TANESCO floated tender in 2018/19 for pre-qualification for large solar power generation projects totalling to 150MW by 2020. NDC submitted a bid, however, our bid was not successful due to TANESCO cap price being lower than submitted bid price as proposed in feasibility study.

During the period under review, NDC continued to make follow up to TANESCO to see possibility of engaging in discussion of Power Purchase Agreement (PPA). Major challenge is securing PPA from TANESCO which indicative feed in tariff of less than 5US\$ cents per kWh.

Singida solar power project will provide enormous benefits both in a reduction in carbon emissions and in savings for the country and end consumers. Currently NDC has Memorandum of Understanding (MoU) with UPGRADE ENERGY AFRICA (PTY) LTD, a private company with Co. Reg. No. 015/108109/07, 97 Rivonia Road Sandton 196 Office, JOHANNESBURG, SOUTH AFRICA. MoU

which is none legally binding agreement has the purpose of establishing a working relationship between the two Parties in order to lay down a framework and milestones with a view to reaching decisive Joint Venture Agreement for implementing the Singida Solar Power Project. Furthermore, NDC will engage TANESCO to discuss on the implementation of this project. The feasibility study will be reviewed including arrangements of acquiring the land required in this project.

2.9.9 Bio-Products Project-Tanzania Biotech Products Limited

NDC has established a Biolarvicides plant under subsidiary company - Tanzania Biotech Product limited at TAMCO Industrial Estate Kibaha for manufacturing of malaria-vector control products namely Biolarvicides with a capacity to produce six million (6,000,000) litres of Biolarvicides per annum based on Cuban technology for the local and export markets. The plant is being operated by Tanzania Biotech Products Limited (TBPL) and the Company is wholly owned by the Government through National Development Corporation.

The types of Biolarvicides produced are *Bacillus Thuringiensis israelensis* (Bti-14) and *Bacillus Sphaericus* Strain2362 (Bs) in the trade names BACTIVEC and GRISELESF respectively. Trial production commenced in November 2016 and commercial production of the Biolarvicides began in February 2017.

In the financial year 2023/24 the Corporation received Government financial support of TZS 1.2 billion for operation and production of biolarvicides. Through that, TBPL managed to produce 66,795 Litres of Biolarvicides, initiate ISO certification of the plant, repair and maintenance of machinery and equipment and testing of Bio-pesticides product.

During the period under review, the plant has managed to produce 68,494 litres of Biolarvicides (Bactivec and Griselesf) and generate a total of TZS 720,587,125 from the sales of 47,731.89 litres of biolarvicides of which 36,231.89 litres sold locally and 11,500 litres sold internationally. The plant also, completes second field trials, registration and certification of Biopesticide product and on 21 June 2022 registration certificate Number BCA/IN/0016 was issued by Tanzania Plant Health and Pesticides Authority (TPHPA) for production of Biopesticides (Thurisave 24) for the period of five (5) years. Currently, the plant management is preparing strategic plan for commercialization of the product. NDC expected to commence production of biopesticides on the second quarter of financial year 2023/24. NDC has manage to supervise implementation of ISO 9001:2015 which will enable the Plant to obtain international quality certificate, the process will speed up the acquisition of Prequalification from the World Health Organization (WHO) for Biolarvicides products.

During the period under review NDC managed to resolve contractual challenges raised during construction of the plant through Government Negotiations Team (GNT) held from July to August 2022 between the Government of Tanzania and LABIOFAM - Cuba. The Negotiation resulted into signing of a supplement of Mixed Licences Contract (a contract for using Cuban Technology and technology transfer) for production of additional three types of Biopesticides (Thurisave 13, 24 and 26) on 6 August 2022.

2.9.10 Tamco Industrial Park at Kibaha

During the year under review, the construction of 230m Viuatilifu road has been completed by 100%, signing of Contract with M/s. Sigo Construction Co. Ltd with tender Number PA/068/2022/2023/W/02 for construction of 320 Meter China Boda - Viuatilifu road. The project cost is TZS 1.005 billion and construction is waiting for disbursement of fund from the Ministry of Finance.

Renovation of godowns at Nyanza glass sheet were completed. However, development of Master plan for industrial parks at KMT, Kange and Nyanza is underway.

2.9.11 Large Scale Sesame Farming in Kilwa and Edible Oil Production Plant

NDC has earmarked about 10,000 hectares at Mandawa, HoteliTatu and Likawage villages in Kilwa District for the project, with 2,000 acres fully compensated at Mandawa Village. The project objective was to establish a large-scale farming of Simsim and edible oil production plant in partnership with the private sector. The project was planned to involve out-growers under the arrangement of contract farming. NDC plan was to lease land and hire machinery for implementation of the project once the concept is accepted by the Ministry of Agriculture and funds secured for implementation of the project. The fund for implementation of this project was not secured by prospective partner as planned.

Since there was high demand of edible oil in the country, the Corporation received expression of interest from GF Oil Company Limited of South Korea planning to invest in the manufacturing of edible oil from Oil Palm. The investor's interest is to invest in establishing large scale oil palm plantations, establish Oil palm manufacturing factory and generate bio- energy from palm oil cake, in Tanzania. The Company require 200,000 Hectares to implement the project.

Initial discussions between GF Oil Company Limited and Stakeholders from Tanzania on the availability of land and the possibility for implementation were conducted under the coordination of the NDC. It was suggested that land acquisition be implemented in phases, starting with the available of 20,000 Hectare under the Tanzania Investment Centre (TIC) from Kigoma District Council. Investors were expected to visit Tanzania for engagement with stakeholders and further discussion of work plan which was shared and discussed in virtual meeting. Also, they could use the time in Tanzania to explore the existing land and other infrastructure requirements for initial preparations of feasibility study. Unfortunately, the visit was not conducted as expected due to Covid-19.

This project was presented by GF Oil Company Limited, to the Prime Minister of the United Republic of Tanzania during his mission in South Korea in November 2022 and was positively received. After a mission, a virtual meeting was held on 25 October 2022 between NDC and the Ambassador of United Republic of Tanzania in South Korea. It was deliberated that, due to broad scope of this project, it will appropriate to be coordinated by Prime Minister's Office. NDC was Tasked to channel the request to Prime Minister's office through Ministry of Industry and Trade to Coordinate this project. Scope of this project is broad covering primary production, value addition/manufacturing and energy generation. NDC will focus on value

addition according to its Mandate in Industrialization. Other components to be played by respective sectors.

2.9.12 Kihuhwi and Kalunga Rubber Plantations

Rubber plantations at Kihuhwi-Muheza, Tanga and Kalunga-Kilombero, Morogoro were established by General Tyre East Africa Company (GTEA) between 1978 and 1981 for the purpose of providing raw materials for the GTEA Company. The two plantations have a total area of 1,423.08 hectares, out of which 668.68 hectares belongs to Kihuhwi rubber plantation and the remaining 754.4 hectares to Kalunga rubber plantation.

Kalunga farm has a total of 125,422 rubber trees of which 37,388 are the old trees planted between 1978 to 1981 and 88,034 new rubber trees planted by NDC between 2010 and 2022. On the other hand, Kihuhwi Rubber plantation has a total of 98,818 rubber trees of which 97,618 are the old trees planted between 1978 to 1981, as well the farm has planted 1,600 new rubber trees planted in financial year 2022/23. Efforts to collaborate with Tanzania Forest Services Agency (TFS) into development of Rubber Plantations in Tanzania are under way and MoU for the envisaged partnership is being finalised.

2.9.13 Tractor Assembly Project

The establishment of URSUS Tractor Assembly Plant at TAMCO Industrial Estate is based on the signed Agreement to promote and deepen economic co-operation between the United Republic of Tanzania and the Republic of Poland. Following signing of Agreement on 28 September 2015, the Government of the Republic of Poland has extended a credit in the amount not exceeding USD 110 million (as soft loan) to the Government of the United Republic of Tanzania with interest rate of 0.3% per annum. The credit is utilized for financing of projects in the area of modernization of agriculture in the United Republic of Tanzania. Out of the USD 110 million loan, USD 55 million is for construction of Tractor Assembly Plant and related equipment and supply of Tractors and Farm implements. This sub-project was formerly under SUMA JKT and now is being implemented by NDC. In year 2016 the Corporation received 822 tractors in a form of semi-knocked down from Poland as a Government strategy to modernizing agriculture sector. Assembled tractors (783) were sold to farmers.

During the period under review, there were no assembling of new semi-knocked tractors activities carried out. The Government of Tanzania is in discussion with the Government of Poland on finalising the project due to the supplier of Tractors (URSUS) who is under receivership in Poland and cannot further supply new tractors.

2.10 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

This section deals with ICT governance in the organization including policy provision, and also provide internet and communication services, maintenance of ICT network infrastructure and security, management of ICT equipment (i.e., servers, computers, printers, scanners and other related accessories), management of operational Management Information Systems and Back up, customization of NDC website. The Corporation has continuously aimed at improving the

ICT infrastructure for future growth, transform how we operate and offer services depending on our business objectives to create sustainable value to NDC stakeholders.

2.12 RISK MANAGEMENT AND INTERNAL CONTROL

The Corporation has a risk management policy. Every individual within the Corporation is required to appreciate risks inherent at his/her place of work. Risk assessment responsibility rests with Internal Audit Department. Effective internal control is maintained through ensuring that there is segregation of duties and enhancing oversight systems. The Board's Audit and Risk Management Committee is in charge of the overall risk management.

2.13 SOLVENCY

National Development Corporation is in need of additional external sources of financing. Subsidy from the Government is received unevenly and inadequately. The source is not enough to enable the Corporation to exploit opportunities in the industry as soon as opportunities arise. In order to enable the Corporation to carry out its operations effectively, the management recommend strategy as outlined in CSP through Joint Venture/PPP arrangements package projects to reflect interdependence especially between economic projects and infrastructure to conduct pre-feasibility and feasibility studies, negotiate with a strategic partner to establish a project implementation strategy which guarantees benefits to the country and return on investment to investors, in a win-win arrangement.

This will be a more reliable source of financing instead of relying on funding from Government through government budgetary allocations, which is not disbursed as planned. The annual operating results are as shown in the financial statements attached to this report.

2.14 RESOURCES

The major resource that the Corporation possesses is the human capital. The other resource which forms part of corporate funding has been through its own income received from investment properties and Associate Companies and Government annual parliamentary budgetary allocations. The Corporation has prepared Resource Mobilization Strategy to ensure mobilization of fund from various sources for project implementation.

2.15 PRINCIPAL RISKS AND UNCERTAINTIES

These constitute, among others the principal risks and uncertainties, including: -

- a) Funding of participation interests in development projects;
- b) Cost control under technical consultancy services;
- c) Recruitment of the human capital; and
- d) Operations in the project sites - in terms of high costs and operational challenges.

2.16 RELATIONSHIPS WITH STAKEHOLDERS

The Corporation's operations involve several stakeholders' interests. The Corporation enjoys good and cooperative support from almost all stakeholders. Key to this relationship has been prompt and informed communication system.

2.17 FINANCIAL POSITION & CASH FLOWS

The annual financial position, operating results, changes in equity and cash flows are as shown in the set of financial statements attached to this report.

2.18 PREJUDICIAL MATTERS

During the year under review NDC had Civil Case under a Court of Appeal of Tanzania Civil application No. 469/17 of 2019 between NDC and IMTU, Court of Appeal has issued a ruling that the case to be re-trialled by the high court, NDC awaits confirmation of date for hearing. NDC claims a total of TZS 5.48 Billion as outstanding rental fees, Revenue from IMTU represents 22% of NDC rental revenue, Any future plans and developments have been stopped, waiting for case scheduled hearing.

2.19 MANAGEMENT AND EMPLOYEES' RELATIONSHIP

There were continued good relations between employees and Management for the year ended 30 June 2023. There were no unresolved complaints received by Management from employees during the year. Healthy relationship continues to exist between management and employees' trade union. The Corporation is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind based on gender, marital status, tribe, religion and disability.

2.19.1 Training Facilities

When presenting its annual budget for the year ended 30 June 2023 the Corporation set aside a sum of TZS 495,839,000 for training employees to improve their technical skills and increase their effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees are accorded some form of training each year to upgrade skills and enhance development.

2.19.2 Medical Assistance

The Corporation contributes 3% and employees 3% of the basic salary of the employees towards the National Health Insurance Fund that covers the cost of medical consultation and treatment for employees and their immediate dependents.

2.19.3 Financial Assistance to Staff

This is available to all employees depending on the merit of each case as assessed by Management as well as liquidity position of the Corporation. However, employees are also encouraged to obtain loans or advances from Banks and NDC Savings and Credit Society Limited, a credit and savings society operated by NDC employees.

2.19.4 Persons with Disabilities

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

2.19.5 Retirement Benefits

The Corporation contributes statutory deductions towards employees' pension scheme administered by the Public Service Social Security Fund (PSSSF) on behalf of employees. The Corporation and the employees contribute 15% and 5% respectively, of the employee's gross salary.

2.19.6 Gender Policy

The Corporation has an equal opportunity employment policy as far as gender issues are concerned. Every effort is made to ensure that the Corporation's employment policy maintains gender balance subject to technical and experience considerations.

2.19.7 HIV/AIDS Awareness Program

The Corporation has an HIV/AIDS awareness program in operation. The Corporation encourages employees to undergo regular voluntary HIV tests and for those in need of medical assistance such assistance is provided free of charge by the Corporation.

2.20 STATEMENT OF COMPLIANCE

The Corporation complied with laws, rules and regulations relating to the mining, mineral sub- sector, labour, environmental, and all other laws in the country which affects the Corporation during the year.

2.21 POLITICAL AND CHARITABLE DONATIONS

The Corporation did charitable donation a sum of TZS 17,000,000 to Muheza District Tanga contribution for the construction of Kihuhwi dispensary, spraying Biolarvicide to eliminate malaria at Mabibo ward Dar es Salaam; Mkuza Tangini ward- Kibaha Pwani and logs for desk manufacturing to Mwanalugali Secondary in Kibaha, Pwani.

2.22 ENVIRONMENTAL CONTROL PROGRAM

All Corporation's activities must be accompanied with an Environment Impact Assessment (EIA). This includes operations like seismic surveys, drilling programs, and any infrastructure establishment. Mitigation measures are undertaken to restore environmental integrity. All projects and activities receive clearance on EIA from the National Environmental Management Council (NEMC).

2.23 CORPORATE SOCIAL RESPONSIBILITY

The Corporation upholds good corporate social responsibility practices. It identifies itself with the community that it works with and maintains good working relationship. The level of responsibility is dependent on the nature of operations within the vicinity. Typically, unskilled labour at the place of operation is reserved to the communities in which the Corporation operates. Through Participatory Appraisal Competitive Advantage (PACA) the local residents around the projects carried by NDC benefit from the project.

2.24 STATEMENT OF THOSE CHARGED WITH GOVERNANCE RESPONSIBILITIES

The NDC establishment order requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of its comprehensive income for that year. It also requires the Directors to ensure that the Corporation maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Corporation. The Directors are also responsible for safeguarding the assets of the Corporation and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities. The Directors accept responsibility for the preparation and presentation of financial statements that are free from material misstatements whether due to fraud or error. Nothing has come to the attention of the Board to indicate that the Corporation will not remain a going concern for the foreseeable future.

The Directors acknowledge their responsibility for establishing appropriate policies and procedures to prevent non-compliance with laws and regulations (NOCLAR), including whistleblowing procedures as a necessary part of good internal governance.

2.25 AUDIT MANDATE

The Controller and Auditor General (CAG) is the statutory auditor of the NDC by virtue of Article 143 of the Constitution of the United Republic of Tanzania and amplified in section 10 of the Public Audit Act, Cap 418. However, in accordance with section 33 of the same Act, M/S Mhasibu Consultancy was appointed by the CAG to carry out the audit of Financial Statements of the National Development Corporation for the year ended 30 June 2023.

ON BEHALF OF ORDER OF THE BOARD


.....
DR. YAMUNGU KAYANDABILA
BOARD CHAIRMAN

Date: 26/02/2024
.....


.....
DR. NICOLAUS SHOMBE
MANAGING DIRECTOR

Date: 26/02/2024
.....

3.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial period, which present fairly the state of financial affairs of the Corporation as at the end of each financial period and of the Company's operating results for that period. It also requires the Directors to ensure that the Company keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation.

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Tanzanian Companies Act, 2002. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements by the Tanzanian Companies Act, 2002. The directors are of the opinion that the financial statements present fairly the state of the financial affairs of the Corporation and its operating results.

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

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of these financial statements. The Board of Directors are satisfied that the Company is financially sound and operate as a going concern as per current and future plans. The financial statements have been accordingly prepared on this basis.

ON BEHALF OF ORDER OF THE BOARD


.....
DR. YAMUNGU KAYANDABILA
BOARD CHAIRMAN

Date: 26/02/2024


.....
DR. NICOLAUS SHOMBE
MANAGING DIRECTOR

Date: 26/02/2024

4.0 DECLARATION OF THE HEAD OF FINANCE

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

It is the duty of a Professional Accountant to assist the Board of Directors and Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I **Rhobi Sattima** being the Director of Finance of National Development Corporation hereby acknowledge my responsibility of ensuring that the consolidated financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus, confirm that the consolidated financial statements give a true and fair view position of National Development Corporation as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: Director of Finance

NBAA Membership No. ACPA 2413

Date: 26/02/2024

NATIONAL DEVELOPMENT CORPORATION

5.0 CONSOLIDATED FINANCIAL STATEMENTS

5.1 CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2023

Note	Group	Corporation			
		30.06.2023 TZS	30.06.2022 TZS	30.06.2023 TZS	30.06.2022 TZS
ASSETS EMPLOYED					
NON-CURRENT ASSETS					
3a-3b 4 5 6 7 8	Property and Equipment	117,940,564,845	83,479,022,808	68,240,174,493	58,540,181,355
	Investment Properties	79,135,096,562	79,053,518,638	79,135,096,562	79,053,518,638
	Intangible Assets	-	-	-	-
	Investment in Subsidiaries Companies	-	-	25,000,099,148	25,000,099,148
	Investment in Associated Companies	-	-	2,714,000,000	2,714,000,000
	Investments in Projects	703,831,884	703,831,884	-	-
		197,779,493,291	163,236,373,330	175,089,370,203	165,307,799,141
CURRENT ASSETS					
9 10 11 12	Inventory	8,692,205,713	9,085,485,342	7,908,177,830	8,321,698,731
	Trade and Other Receivables	11,607,300,014	10,701,085,133	16,078,578,682	15,087,894,100
	Loan to Farmers (Net Credit Loss Allowance)	18,921,346,997	18,696,465,865	18,921,346,997	18,696,465,865
	Cash and Bank Balances	7,936,864,239	5,882,887,784	7,799,526,403	5,881,685,541
	47,157,716,963	44,365,924,124	50,707,629,912	47,987,744,237	
	244,937,210,254	207,602,297,454	225,797,000,115	213,295,543,378	
TOTAL ASSETS					
EQUITY, LIABILITIES AND NON- CONTROLLING INTEREST					
13 25	Capital Funds	176,983,979,502	167,413,229,962	176,983,979,502.03	167,413,229,962
	Revaluation Surplus	51,714,500,918	21,600,325,427	10,760,264,427	10,760,264,427
	Other Reserves	12,000,000	12,000,000	12,000,000	12,000,000
	Retained Earnings	(17,520,619,185)	(11,892,316,913)	9,635,450,355	9,186,312,558
	211,189,861,235	177,133,238,476	197,391,694,284	187,371,806,947	
	461,293,096	531,063,834	532,589,610		
NON-CONTROLLING INTERESTS					
	211,651,154,331	177,664,302,310	197,391,694,284	187,371,806,947	
TOTAL EQUITY					
NON-CURRENT LIABILITIES					
16	Other Financial liabilities	1,530,550,663	1,530,550,663	1,530,550,663	1,530,550,663
	Total Non-Current Liabilities	1,530,550,663	1,530,550,663	1,530,550,663	1,530,550,663
CURRENT LIABILITIES					
17 14 15	Trade and Other Payables	12,265,194,354	16,624,746,790	7,384,444,206	12,610,488,023
	Deferred Grants	7,723,886,384	5,881,194,475	7,723,886,440	5,881,194,531
	Current Maturity of Long-Term Loan	11,766,424,522	102,985,671,816	11,766,424,572	102,985,671,816
	Total Current Liabilities	31,755,505,260	28,407,444,481	26,874,755,168	24,393,185,768
	33,286,055,923	29,937,995,144	28,405,305,831	25,923,736,431	
TOTAL LIABILITIES					
	244,937,210,254	207,602,297,454	225,797,000,115	213,295,543,378	
TOTAL EQUITYAND LIABILITY					

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BOARD CHAIRMAN

26/02/2024
 DATE


 MANAGING DIRECTOR

NATIONAL DEVELOPMENT CORPORATION

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

	Note	30.06.2023 TZS	Group 30.06.2022 TZS	30.06.2022 TZS	30.06.2023 TZS	Corporation 30.06.2022 TZS	30.06.2022 TZS
			Restated			Restated	
Revenue							
Sales	26	1,007,038,115	1,475,150,619	1,475,150,619	260,278,000	510,684,001	510,684,001
Cost of Goods Sold	27	(742,737,402)	(1,226,435,469)	(1,012,972,693)	(235,254,877)	(441,957,234)	(441,957,234)
Gross Margin		264,300,713	248,715,150	462,177,926	25,023,123	68,726,767	68,726,767
Investment Income	18	24,129,208,027	8,252,017,159	8,252,017,159	23,154,242,767	7,038,447,159	7,038,447,159
Other Income	19	3,257,123,034	1,792,663,827	1,792,663,827	3,210,766,756	1,792,663,827	1,792,663,827
Gross Revenue		27,386,331,061	10,044,680,986	10,044,680,986	26,365,009,523	8,831,110,986	8,831,110,986
		27,650,631,774	10,293,396,136	10,506,858,912	26,390,032,646	8,899,837,753	8,899,837,753
Expenses							
Personnel Expenses	20	5,940,149,430	4,632,428,290	4,632,408,290	4,630,883,818	4,038,920,031	4,038,920,031
Administrative Expenses	21	1,754,352,314	1,804,148,688	1,772,972,099	1,063,851,884	1,235,288,458	1,235,288,458
Other Expenses	22	729,159,991	573,994,980	576,331,216	666,474,991	432,153,841	432,153,841
Project Development Costs	23	16,421,257,328	1,694,314,355	1,694,314,355	16,421,257,328	1,694,314,355	1,694,314,355
Depreciation and Amortisation expenses	3a&3b	5,427,722,138	5,838,649,064	5,838,649,064	1,434,177,092	1,848,003,760	1,848,003,760
Finance Expenses	24	1,339,387,187	1,552,046,666	11,572,698,247	1,337,256,130	1,551,658,165	11,572,309,746
Net Foreign Exchange Loss		(13,045,597)	(1,803,994)	491,009	(2,876,391)	491,009	491,009
Revaluation Loss	25	1,359,851,992					
(Loss)/Profit before tax		32,958,834,783	16,093,778,047	26,087,864,280	25,551,024,852	10,800,829,619	20,821,481,200
Income Tax		(5,308,203,009)	(5,800,381,912)	(15,581,005,368)	839,007,794	(1,900,991,866)	(11,921,643,447)
(Loss)/profit for the period After Tax		(5,308,203,009)	(5,800,381,912)	(15,581,005,368)	839,007,794	(1,900,991,866)	(11,921,643,447)
Other Comprehensive Income:							
Increase in Revaluation of PPE		30,114,175,491					
Other Comprehensive Income for the Year		30,114,175,491					
Total Comprehensive Income		24,805,972,482	(5,800,381,912)	(15,581,005,368)	839,007,794	(1,900,991,866)	(11,921,643,447)
Attributable to:							
Equity shareholders of Parent (NDC /Gov)		24,404,472,430	(5,753,089,381)	(15,520,740,787)	839,007,794	(1,900,991,866)	(11,921,643,447)
Non-controlling interests		401,500,052	(47,292,530)	(60,264,581)			
		24,805,972,482	(5,800,381,912)	(15,581,005,368)	839,007,794	(1,900,991,866)	(11,921,643,447)

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Signature

BOARD CHAIRMAN

26/02/2024

DATE

Signature

MANAGING DIRECTOR

NATIONAL DEVELOPMENT CORPORATION

5.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2023

NDC GROUP	Capital Funds	Revaluation Reserves	Other Reserves	Retained Earnings	Attributable to Owners of the Parent	Non-Controlling Interest	Total Equity
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Balance as at 1 July, 2021	142,108,939,265	21,600,325,427	12,000,000	(72,305,694,160)	91,415,570,532	575,401,907	91,990,972,439
Prior Year Adjustments							
Balance Re-stated	142,108,939,265	21,600,325,427	12,000,000	(72,305,694,160)	91,415,570,532	575,401,907	91,990,972,439
Asset Transferred to NDC	1,904,290,697				1,904,290,697		1,904,290,697
Change in Payables/Receivables				6,225,290,318	6,225,290,318	17,452,284	6,242,742,602
Profit for the Year				(15,520,740,787)	(15,520,740,787)	(60,264,581)	(15,581,005,368)
Balance as at 30 June 2022	144,013,229,962	21,600,325,427	12,000,000	(81,601,144,629)	84,024,410,760	532,589,610	84,557,000,370
Balance as at 1 July 2022	144,013,229,962	21,600,325,427	12,000,000	(81,601,144,629)	84,024,410,760	532,589,610	84,557,000,370
Prior Year Adjustments							
Long Term Loan Capitalized	23,400,000,000			69,154,815,224	92,554,815,224		92,554,815,224
Trade and Other Payable (Labiofam and other Adjustments)				(3,975,340,886)	(3,975,340,886)	(1,525,776)	(3,976,866,662)
Trade Receivable (Labiofam)				4,529,353,378	4,529,353,378		4,529,353,378
Balance Re-stated	167,413,229,962	21,600,325,427	12,000,000	(11,892,315,913)	177,133,238,476	531,063,834	177,664,302,310
Asset Transfer to NDC from Government	9,570,749,540				9,570,749,540		9,570,749,540
Receivables and Payables Current year adj				(389,870,001)	(389,870,001)		(389,870,001)
Other Comprehensive Income		30,114,175,491			30,114,175,491		30,114,175,491
Profit for the Year				(5,238,432,271)	(5,238,432,271)	(69,770,738)	(5,308,203,009)
Balance as at 30 June 2023	176,983,979,502	51,714,500,918	12,000,000	(17,520,619,185)	211,189,861,235	461,293,096	211,651,154,331

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BOARD CHAIRMAN

26/02/2024

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MANAGING DIRECTOR

NATIONAL DEVELOPMENT CORPORATION

5.4 STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2023

	Capital Funds	Revaluation Reserves	Other reserves	Retained Earnings	Total
Balance as at 1 st July, 2021	142,108,939,265	10,760,264,427	12,000,000	(54,786,670,851)	98,094,532,841
Prior Year Adjustments					-
Adjustments on PPE				(422,002,778)	(422,002,778)
Credit Loss Allowance Adjustment				3,947,837,135	3,947,837,135
Trade Receivable Account				9,275,634,298	9,275,634,298
Change in Trade Payables and Receivables				(6,776,721,307)	(6,776,721,307)
Balance Re-stated 1 st July, 2021	142,108,939,265	10,760,264,427	12,000,000	(48,761,923,503)	104,119,280,189
Tractor stock previous unrecognized Profit for the Year	1,904,290,697			(1,900,991,866)	1,904,290,697
Asset Transfer to NDC from Government					(1,900,991,866)
Balance as at 30 th June 2022	144,013,229,962	10,760,264,427	12,000,000	(50,662,915,369)	104,122,579,020
Balance as at 1 st July, 2022	144,013,229,962	10,760,264,427	12,000,000	(50,662,915,369)	104,122,579,020
Prior Year Adjustments					-
Loan Recapitalized				59,134,163,643	82,534,163,643
Labiofam Payable	23,400,000,000			(3,814,289,094)	(3,814,289,094)
Labiofam Receivable				4,529,353,378	4,529,353,378
Balance Re-stated 1 st July, 2022	167,413,229,962	10,760,264,427	12,000,000	9,186,312,558	187,371,806,947
Other Current Year Adjust				(389,870,315)	(389,870,315)
Profit for the Year				839,007,795	839,007,795
Asset Transfer to NDC from Government	9,570,749,540				
Balance as at 30 th June 2023	176,983,979,502	10,760,264,427	12,000,000	9,635,450,040	187,820,944,428

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BOARD CHAIRMAN

26/02/2024
DATE

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MANAGING DIRECTOR

NATIONAL DEVELOPMENT CORPORATION

5.5 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group 30.06.2023 TZS	30.06.2022 TZS	Company 30.06.2023 TZS	30.06.2022 TZS
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	35(b)	4,115,854,406	6,401,875,796	3,489,429,877	6,041,712,762
Payments to suppliers and employees	35(c)	(22,366,366,542)	(9,650,332,654)	(20,927,392,791)	(8,042,070,694)
Net Cash flow generated from operations		(18,250,512,136)	(3,248,456,858)	(17,437,962,914)	(2,000,357,932)
Interest paid					
Income taxes paid					
Net cash generated by operating activities	35(a)	(18,250,512,136)	(3,248,456,858)	(17,437,962,914)	(2,000,357,932)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	(3a)	(206,124,700)	(47,283,912)	(197,174,700)	(47,283,912)
Net Cash Used in Investing Activities		(206,124,700)	(47,283,912)	(197,174,700)	(47,283,912)
CASH FLOWS FROM FINANCING ACTIVITIES					
Project Development Funds	14	20,510,613,290	7,832,163,334	19,552,978,476	6,632,163,334
Net cash generated by (used in) financing activities		20,510,613,290	7,832,163,334	19,552,978,476	6,632,163,334
NET DECREASE IN CASH AND CASH EQUIVALENT					
Cash and Cash Equivalents at the Beginning of the Year		2,053,976,454	4,536,422,564	1,917,840,862	4,584,521,490
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		5,882,887,784	1,346,465,220	5,881,685,541	1,297,164,051
		7,936,864,238	5,882,887,784	7,799,526,403	5,881,685,541

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BOARD CHAIRMAN

26/02/2024

DATE

Q. L.

MANAGING DIRECTOR

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

1. CORPORATION'S INFORMATION

National Development Corporation (NDC) was established under the Public Corporations Act of 1962 with a noble aim of facilitating and promoting the national economic development. Initially the Corporation engaged itself in every important sector of the economy with a role of identifying potentials for tapping the country's resource endowment and initiating their exploitation by developing and implementing projects that would contribute to the economic development of the nation. National Development Corporation discharges its functions under the Ministry of Industry, Trade and Investment.

The principal activities of National Development Corporation include the following:

- To identify and lead the development of projects which have high inherent potential for economically projects exploitation in partnership with the private sector;
- To stimulate development of basic industries in Tanzania;
- To initiate and facilitate development of a world class industrial support infrastructure for sustainable and competitive industrialization;
- Promotion of entrepreneurship and domestic private sector development, including mobilization of financial resources for this purpose;
- Holding on behalf of the government, strategic industrial mineral resources and shares in strategic modern activities of the economy for future participation of the citizenry.

National Development Corporation (NDC) is incorporated in Tanzania. Its registered office and address of its principal place of business is:

Ohio Street/Kivukoni Street

P. O. Box 2669, Dar es Salaam Tanzania

Tel: +255-222111460/3

Fax: +255-222113618

Email: ndc@ndc.co.tz Website: www.ndc.go.tz

1.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis except for investment properties, certain items of property, plant and equipment and financial instruments that have been measured at fair value.

The consolidated financial statements are presented in Tanzanian Shillings (TZS).

Statement of compliance

The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and comply with the Public Corporations Act of 1992 (as amended), Public Finance Act 2017 (as amended), Public Procurement Act 2011 (as amended) and Tanzania Financial Reporting Standards.

Going Concern

These Financial Statements have been prepared on the going concern basis, on the understanding that the Government of Tanzania will continue to support NDC during a period of foreseeable future. There was a surplus Net Working Capital of TZS 23,832,874,744 at the balance sheet date, The Government has not shown that it will not continue to support the Corporation and consider the Corporation retains sufficient working capital to continue trading for the foreseeable future.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations as of July 2019. Some of these include:

1. Amendment to IFRS 16, 'Leases' - Covid-19 related rent concessions, as a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
2. IAS 1 "Presentation of Financial Statements" On 23 January 2020, the IASB issued 'Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments are

3. IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendment is effective for annual reporting periods beginning on or after January 1, 2020.
4. IAS 28 – Long term Interest-On 12 October 2017, the IASB published 'Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)' to clarify that an entity applies IFRS 9 'Financial Instruments' to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019.
5. IFRS 9 - Financial Instruments will replace certain key elements of IAS 39. The two key elements that would impact the Group's accounting policies include:

Classification and measurement of financial assets and financial liabilities: the standard requires that all financial assets be classified as either held at fair value or amortized cost.

- i. The amortized cost classification is only permitted where it is held within a business model where the underlying cash-flows are held in order to collect contractual cash-flows arise solely from payment of principal and interest.
 - ii. The standard further provided that gains and losses on assets held at fair value are measured through the income statement unless the entity has elected to present gains and losses on non-trading equity investments directly through comprehensive income. With reference to financial liabilities held at fair value, the standard proposes that changes to fair value attributable to credit risk are taken directly to other comprehensive income without recycling.
6. IFRS 3 – Business Combination Amendments Definition of a Business (Amendments to IFRS 3)' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.
 7. SIC-31 – Revenue - Barter Transactions Involving Advertising Services-IFRS 15 is effective for annual periods beginning on or after January 1, 2018.
 8. IFRIC 23 – 'Uncertainty over Income Tax Treatments' was issued by the IASB on 7 June 2017 and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted.
 9. IAS 19 – Employee Benefit, the IASB published 'Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)' to harmonize accounting practices and to provide more relevant information for decision-making. An entity applies the amendments to

plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019.

10. IFRS 17— Insurance Contracts was issued by the IASB on 18 May 2017 and is effective for periods beginning on or after 1 January 2021.

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted, which are consistent with those of previous years, are shown below:

1.3.1 Consolidated Financial Statements

Financial Statements are consolidated during preparation. Presentation and preparation of Financial Statements is based on assessing control and determine scope of consolidation.

Control may arise in circumstances where the size of the group's voting rights relative, to the size and of holdings of their shareholders give the group the power to govern the financial and the operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred from the date on which control is transferred to the Group and are de-consolidated from the date control ceases.

Inter Company transactions, balances and unrealized gain on transactions between Group Companies are eliminated. Profit or losses resulting from under company transaction that are recognized in assets are also eliminated.

1.3.2 Foreign Currency Translation

Functional and Presentation Currency

The consolidated financial statements are presented in Tanzanian Shillings (TZS), which is the Corporation's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. 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 recognized in the Statement of Comprehensive Income.

Non-monetary assets and liabilities measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

1.3.3 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and Value Added Tax or duty. The Corporation assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Corporation has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

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

Rendering of services

Revenue from the rendering of services is recognized by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Interest income

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

Dividends

Dividend revenue is recognized when the Corporation's right to receive the payment is established.

Investment income

Investment income arising from Investment properties is presented as Revenue in the statement of comprehensive income.

Income from Projects

Income from projects arises from projects of which the company has invested in. Include Kilimanjaro Machine Tools and Rubber Plantations.

1.3.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Corporation recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Any revaluation surplus is credited to the asset's revaluation surplus included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the re-valued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The annual depreciation rates which have been consistently applied are:

No.	Class	Rate
1	Land	NIL
2	Buildings and Installations	2%
3	Plant and Machinery	10%
4	Elevators	5%
5	Motor Vehicles	25%
6	Computers	33.3%
7	Office Equipment	10%
8	Office Furniture	15%
9	Biological Assets	3.125%
10	Intangible Assets	25%

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted retrospectively, if appropriate.

IAS 41 Agriculture standard requires that biological assets are shown in the Consolidated Statement of financial position at fair value unless fair value cannot be reliably measured. Group Assets are thus accounted for at fair value less the estimated point-of-sale costs at harvest, there being a presumption that fair values can be measured for these assets. NDC owns rubber plantation at Kihui Tanga and Kalunga Morogoro, these items are classified as Bearer Plant under Biological assets.

1.3.5 Intangible assets

Intangible assets 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 reflected in the statement of comprehensive income 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 annual rate of amortization applied is 25%.

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 comprehensive income. Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

1.3.6 Impairment of Non-Financial Assets and Intangible Assets

The Corporation 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 Corporation 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 comprehensive income 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 comprehensive income. 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.

1.3.7 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. The Corporation capitalizes borrowing costs for all eligible assets where construction was commenced on or after 1 January 2009.

1.3.8 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups of assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts 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.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

1.3.9 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

1.3.10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

1.3.11 Corporation as a lessor

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

1.3.12 Corporation as a lessee

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

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

1.3.13 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise. Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of comprehensive income in the period of de- recognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Corporation accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.3.14 Investment in Projects

The Corporation gives priority to projects having positive development impact in the country in terms of value addition, foreign exchange earnings or savings, employment, technological advancement, income generation and poverty reduction. Normally, the Corporation invests in the riskier initial stages of pre-feasibility and feasibility studies. Amounts invested in the projects are capitalized. When the investor partner is secured, the accumulated or part thereof of the amount capitalized in the project is used as the Corporation's contribution to the share capital of the entity formed to run the project. Any amount not used as share capital is amortized over the project's economic life with effect from the date of commencement of commercial production.

1.3.15 Investments in Associated Companies

The Corporation's investment in its associates is accounted for under the equity method of accounting. An associate is an entity in which the Corporation has significant influence and which is neither a subsidiary nor a joint venture. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Corporation's share of net assets of the associate. After application of the equity methods, the Corporation determines whether it is necessary to recognize any additional impairment loss with respect to the Corporation's net investment in the associate and joint venture. The income statement reflects the share of the results of operations of the associate and joint venture. Where there has been a change recognized directly in the equity of the associate and joint venture the Corporation recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

1.3.16 Financial assets

Initial recognition and measurement

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

The Corporation determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through comprehensive income statement, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Corporation commits to purchase of an asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Corporation's financial assets include Tractor loans advanced to farmers, trade and other receivables.

Subsequent measurement

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

Classification of financial assets

Amortized cost

Debt instruments that meet the following conditions are subsequently measured at amortized cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition).

The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income (FVTOCI)-debt instruments

Debt instruments that meet the following conditions are subsequently measured at fair value with gains or losses recognized in other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition). The asset is held within a business model whose objective is both to hold assets in order to collect contractual cash flows and sale; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss (FVTPL)

Assets classified as FVTPL are measured at fair value. Gains and losses that arise as a result of changes in fair value are recognized in profit or loss, gains and losses that arise between the end of the last annual reporting period and the date an instrument is derecognized do not constitute a separate profit or loss on disposal. Such gains and losses will have arisen prior to disposal, while the item is still being measured at FVTPL, and are recognized in profit or loss when they occur.

Fair Value through Other Comprehensive Income (FVTOCI)-Investments in Equity

On initial recognition, financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Effective Interest Rate method

The effective interest rate method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments measured subsequently at amortized cost. These include Government Securities, Loans and Advances. Interest income is recognized in profit or loss.

Cash and cash equivalents

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

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 the statement of comprehensive income 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 four 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 statement of comprehensive income.

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 financial year end 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.

1.3.17 The calculation considers any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Corporation assesses at each financial year end date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is 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 comprehensive income statement. 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 statement of comprehensive income.

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 Corporation 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.

Available-for-sale financial investments

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 comprehensive income statement, is transferred from equity to comprehensive income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognized in comprehensive income statement. Reversals of impairment losses on debt instruments are reversed through comprehensive income statement; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in comprehensive income statement.

Derecognizing of 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 when:

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

Where the Corporation 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 Corporation'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 Corporation could be required to repay.

1.3.18 Financial liabilities

Initial recognition and measurement

All financial liabilities are measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities include derivatives (other than derivatives that are financial guarantee contracts or are designated and effective hedging instruments), other liabilities held for trading, and liabilities that an entity designates to be measured at fair value through profit or loss (see 'fair value option' below). The Corporation determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Corporation's financial liabilities include trade and other payables, bank overdraft, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at fair value through comprehensive income statement
- Financial liabilities at fair value through comprehensive income statement includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through comprehensive income statement. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

- Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

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 comprehensive income statement when the liabilities are derecognized as well as through the amortization process.

Derecognizing of 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 derecognizing 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 comprehensive income.

1.3.19 Provisions

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

1.3.20 Employment benefits

Short term benefits

These include salaries and wages, annual leave and other short-term benefits. Liabilities related to annual leave at the end of the financial year are accrued in the financial statements.

Post-employment benefits

The Corporation operates defined contribution plans only at the moment.

Defined contribution plan

The Corporation's employees are members of state-owned pension schemes. The Corporation's contributions to the funds are charged to the statement of comprehensive income in the year to which they relate.

Other long-term employment benefits

These include gratuity for contract staff which are paid at the end of the contract terms.

Termination benefits

Termination benefits are payable when employment is terminated by the Corporation before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Corporation recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after financial year end date are discounted to present value.

1.3.21 Taxes**Current Tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred Income Taxes

The Corporation provides in full-deferred income tax using the liability method on temporary differences arising between the tax bases of assets and liabilities, and its carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary and all deductible temporary differences, carrying forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carrying forward of unused tax credit and unused tax losses can be utilized.

The carrying amount of deferred income tax asset is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparations of financial statements in conformity with IFRS require the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting estimates.

The Corporation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of non-financial assets and Intangible Assets

The Corporation assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations is undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Revaluation of property, plant and equipment and investment properties

The Corporation carries its investment properties at fair value, with changes in fair value being recognized in the comprehensive income statement. In addition, it measures land and buildings at re-valued amounts with changes in fair value being recognized in other comprehensive income. The Corporation engaged independent valuation specialists to determine fair value as at 30 September, 2014 and the results are still applicable to the financial position related to the current reporting period.

For the investment property, the value used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the property. The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate.

Fair value of financial instruments

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

Amortization of Development Grants

The Corporation has a practice of making amortization in respect of activities which are directly involved in the development of various economic projects. These activities include staff involvement, administrative support services and the acquisition of capital assets which are utilized in the facilitation of the progressive investments being made in the projects. Based on IAS 20 actual project expenditure during the year is matched and recognized by the same amount in the amortization of grants account as income. The amortization is made from the development funds received from the Government.

NATIONAL DEVELOPMENT CORPORATION (NDC)

3. (a) GROUP. PROPERTY, PLANT AND EQUIPMENT

GROUP	LAND	BUILDINGS AND INSTALLATIONS	MOTOR VEHICLES	OFFICE FURNITURE	PLANT MACHINERY	AND	COMPUTER	OFFICE EQUIPMENT	ELEVATOR	BIOLOGICAL ASSETS	TOTAL
DEPRECIATION RATES			2%	25%	15%	10%		33%	5%	3.13%	
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COST/VALUATION											
Balance as at 01.07.2022	31,146,372,376	25,365,508,000	440,769,087	459,321,334	51,041,070,879		304,502,380	422,214,071	97,185,924	2,503,000,000	111,779,944,051
Other Adjustments	54,459,100	144,460,547	19,215,742	1,100,000	128,564,946			(2,140,000)			345,660,335
Revaluation Adjustment	(1,246,947,258)			(79,001,230)	(23,163,861,038)			(29,512,200)			(24,519,321,726)
Reclassification							(29,512,200)	29,512,200			
Assets transfer to NDC	1,407,300,000	7,612,000,000	1,500,000	12,738,000	493,811,540			43,400,000			9,570,749,540
Additions	557,855,000	756,316,582	478,450,393				97,207,339	20,367,000			1,910,196,314
Balance at 30st June 2022	31,919,039,218	33,878,285,129	939,935,222	394,158,104	28,499,586,327		372,197,519	483,841,071	97,185,924	2,503,000,000	99,087,228,514
Revaluation	(1,359,851,992)			119,716,407	29,669,565,784			324,893,300			28,754,323,499
Balance at 30st June 2023	30,559,187,226	33,878,285,129	939,935,222	513,874,511	58,169,152,111		372,197,519	808,734,371	97,185,924	2,503,000,000	127,841,552,013
DEPRECIATION											
Balance at 01.07.2022											
Prior Year											
Adjustments											
Opening Balance											
Adjustments											
Revaluation											
Depreciation											
Balance at 30st June 2023											
Depr Charge 30th June 2022											
CARRYING AMOUNT											
As at 30.06.2023	30,559,187,226	31,036,801,134	548,220,030	255,488,725	52,774,837,246		163,683,724	573,523,880	34,244,755	1,994,578,125	117,940,564,845
As at 30.06.2022	31,146,372,376	22,866,060,641	5,095,960	114,970,147	26,891,552,200		17,443,175	325,627,376	39,104,057	2,072,796,875	83,479,022,808

Controller and Auditor General

AR/PA/NDC/2022/23

NATIONAL DEVELOPMENT CORPORATION (NDC)

3 (b) NDC. PROPERTY, PLANT AND EQUIPMENT

NDC COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MOTOR VEHICLES	OFFICE FURNITURE	PLANT AND MACHINERY	COMPUTER	OFFICE EQUIPMENT	ELEVATOR	BIOLOGICAL ASSETS	TOTAL
DEPRECIATION RATES	0%	2%	25%	15%	10%	33%	10%	5%	3.125%	
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COST/VALUATION										
Balance as at 01.07.2022	31,144,646,740	18,227,508,000	440,769,087	380,945,510	12,649,241,428	272,510,174	423,185,419	97,186,038	2,503,000,000	66,138,992,396
Other Adjustments										
FAR adjustments	54,459,100	144,460,547	19,215,742	1,100,000	127,794,500		(2,140,000)			344,889,889
Asset transfer to NDC	1,407,300,000	7,612,000,000	1,500,000	12,738,000	493,811,540		43,400,000			9,570,749,540
Additions	557,855,000	756,316,582	478,450,393			97,207,339	20,367,000			1,910,196,314
Balance Re-stated	33,164,260,840	26,740,285,129	939,935,222	394,783,510	13,270,847,468	369,717,513	484,812,419	97,186,038	2,503,000,000	77,964,828,139
Revaluation										
Balance at 30th June 2023	33,164,260,840	26,740,285,129	939,935,222	394,783,510	13,270,847,468	369,717,513	484,812,419	97,186,038	2,503,000,000	77,964,828,139
DEPRECIATION										
Balance at 01.07.2022	-	1,395,259,779	435,673,126	276,190,291	4,649,269,155	257,547,004	96,586,695	58,081,867	430,203,125	7,598,811,042
Prior Year										
Adjustments										
FAR adjustments										
Assets Below Threshold		946,281,543	(177,599,706)	(50,643,072)	(54,615,171)	(109,352,921)	137,594,839			691,665,512
NBV Zero Assets										
Balance Re-stated	-	2,341,541,322	258,073,420	225,547,219	4,594,653,983	148,194,083	234,181,534	58,081,867	430,203,125	8,290,476,554
Total Depr		499,942,351	133,641,772	32,353,808	623,812,440	30,807,511	30,541,158	4,859,302	78,218,750	1,434,177,092
Accumulated Depr	-	2,841,483,673	391,715,192	257,901,027	5,218,466,424	179,001,594	264,722,692	62,941,169	508,421,875	9,724,653,646
Depr Charge 30 th June 2022		364,550,160	52,526,252	27,681,418	1,264,924,143	32,052,895	23,190,840	4,859,302	78,218,750	1,848,003,760
CARRYING AS										
At 30th June 2023	33,164,260,840	23,898,801,456	548,220,030	136,882,483	8,052,381,044	190,715,919	220,089,727	34,244,869	1,994,578,125	68,240,174,493
At 30th June 2022	31,144,646,740	16,832,248,221	5,095,961	104,755,219	7,999,972,273	14,963,170	326,598,724	39,104,171	2,072,796,875	58,540,181,355

NATIONAL DEVELOPMENT CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Balance at the start	79,053,518,638	79,053,518,638	79,053,518,638	79,053,518,638
Renovations	81,577,924	-	81,577,924	-
Balance at Close	79,135,096,562	79,053,518,638	79,135,096,562	79,053,518,638

5. INTANGIBLE ASSETS

ITEMS	ARUTI For Salaries	Pastel Accounting Package	Asset Manager For Assets	HR Software 1	Map Information Software 2	TOTAL
	25% TZS	25% TZS	25% TZS	25% TZS	25% TZS	TZS
DEPRECIATION RATE						
COST/VALUATION						
Balance as at 01.07.2022	11,085,000	7,880,000	16,170,000	12,230,000	13,725,000	61,090,000
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 30.06.2023	11,085,000	7,880,000	16,170,000	12,230,000	13,725,000	61,090,000
DEPRECIATION						
Balance as at 01.07.2022	11,085,000	7,880,000	16,170,000	12,230,000	13,725,000	61,090,000
Depreciation Charge for the Year	-	-	-	-	-	-
On Disposal	-	-	-	-	-	-
Balance as at 30.06.2023	11,085,000	7,880,000	16,170,000	12,230,000	13,725,000	61,090,000
CARRYING AMOUNT						
At 30.06.2023	-	-	-	-	-	-
At 30.06.2022	-	-	-	-	-	-

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6. INVESTMENTS IN SUBSIDIARIES COMPANIES

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Lake Natron Resources Ltd			999,000	999,000
Matinje Gold Company			968,087,148	968,087,148
Geo Wind			100,000	100,000
Tanzania Biotech Products Ltd			24,999,999,000	24,999,999,000
Provision For Diminishing in Investment			(969,086,000)	(969,086,000)
			25,000,099,148	25,000,099,148

a) Lake Natron Resources Limited

On 27 April 2006 NDC and TATA Chemicals Limited (TCL) of India formed a Joint Venture Company known as lake Natron resources limited (LNRL) to implement the project. The implementation of the Project has been facing several environmental challenges and concerns from various international organization. On 5 May 2016 NDC surrender its Mining licence and withdraw from the project. Company has been proposed for liquidation by the National Development Corporation Board on 17 March 2016.

b) Matinje Gold Company

The Company was established on 24 December 2001. Matinje Gold Company has been dormant since 2007 and there were no commercial activities at the mining site, operations of the company ceased in 2007, The company did not generate enough funds to maintain its operations, also Prospective Mining licence holder were unable to fulfil the requirement of the agreement to surrender their PML to the Company, ownership of the mining site was not fully transferred to MGCL and the company did not get full back from its investor. Company has been proposed for liquidation by the NDC Board on 17 March 2016.

c) Geo Wind

The Company entered into a Joint Venture Agreement with the National Development Corporation, TANESCO and Power Pool East Africa Limited on 3 December 2012, for the development and implementation of the Singida Wind Power Project. The Company concluded and signed a Power Purchase Agreement (PPA) with TANESCO in August 2014. The PPA may however, require some adjustments once the financing arrangements for the Project are finalized. A Power Generation Licence issued by EWURA (Regulator) is also in place, but requires renewal, since it expired in 2015.

Singida Wind Power project qualified for EXIM financing by 100% in financial year 2014/15 through the Ministry of Finance. However, the Government reversed its decision and de-listed the project for getting the loan in 2016. NDC and partners embarked on extensive search for credible investors after de-listing of the project and several investors have shown interest. Currently, NDC is still negotiating with these investors. NDC and partners believe that this is a good project and will continue to look for financing.

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d) Tanzania Biotech Products Limited

Tanzania biotech products Limited (TBPL) which operates a Biolarvicides plant was established on 19 May 2015 and incorporated under Companies Ordinance (Cap 212) as a Limited Company. National Development Corporation (NDC) is the main owning 99% of the shares.

7 INVESTMENT IN ASSOCIATED COMPANIES

	GROUP		COMPANY	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Balance per parent Accounts	-	-	10,538,377,002	10,538,377,002
Exchange Adjustments				
Share of the Profit (Loss) for the year		-		
Dividends				
Other equity movements	-	-	10,538,377,002	10,538,377,002
Other equity movements			(6,300,000)	(6,300,000)
Investment in Associates	-	-	10,532,077,002	10,532,077,002

a) Maganga Matitu Company Ltd,

NDC is holding 25% shares in Maganga Matitu. The value shown herewith is the value as indicated in the share certificate. The company has its year end on 31 December.

b) ETC Cargo Limited

NDC interest in ETC Cargo is 25%. The value of which was determined using the cost method. The principal activities of the Company are grain cleaning, processing fertilizers, grain bulk bagging, package inland container and depot container freight, short term and long-term warehousing leasing, ETC Cargo Ltd.'s share of profit/loss were based on Draft financial statements, the company had its year end on 31 March.

c) Tancoal Energy Limited

NDC holds 30% interest in Tancoal Energy. The value shown herewith is the value as indicated on the share certificate Nominal value. The Company objective is to explore and extract the vast Ngaka's coal fields in Ruvuma Region in Southwest Tanzania. The Company intends to develop a power station and sell at Ngaka with the capacity to produce 400 MW thermal coal fired power to the nation, the company had its year end on 30 June.

d) Tanzania China International Mineral Resource Ltd (TCIMRL)

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NDC holds 20% interest in TCIMRL the value shown herewith was arrived at using the cost method as agreed in line the Joint Venture agreement. The Company completed detailed exploration in initial area of both Mchuchuma and Liganga projects. The principal activities are exploration and mining of coal and iron ore processing and it's related by products and coal fired power generation; the company has its year end on 31 December.

e) Global Packaging Ltd

NDC holds 6% on the joint venture agreement with Wande Printing & Packaging Company Limited, the company was established at TAMCO Industrial Park with its principal activities being printing of packaging materials the company has its year end on 31 December. 6% shares of the Company were given as a free carried share with no consideration paid to Global Packaging Ltd.

8 INVESTMENTS IN PROJECTS

These costs relate acquisition of Land for Geowind project in Singida,

	GROUP		CORPORATION	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Preliminary Costs	703,831,884	703,831,884	-	-
TOTAL	703,831,884	703,831,884	-	-

9 INVENTORIES

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Stationaries	14,521,602	3,283,703	7,824,163	
Raw Materials	55,515,701	43,459,726		
Plough, disc and Harrow	1,415,470,000	1,558,395,000	1,415,470,000	1,558,395,000
Finished Goods	215,200,000	1,148,785,558	215,200,000	628,400,000
Laboratory	71,823,685	99,790,685		
KMTC Stock Value	457,262,339	424,312,637	457,262,339	424,312,637
Rubber Stock	600,533,790	2,338,500	43,605,000	2,338,500
Spare Parts	4,789,016,800	4,701,394,336	4,695,954,532	4,604,527,397
Cannibalized tractor	1,144,705,119	1,175,568,520	1,144,705,119	1,175,568,520
Provision for Obsolete Inventory	(71,843,323)	(71,843,323)	(71,843,323.00)	(71,843,323)
Total	8,692,205,713	9,085,485,342	7,908,177,830	8,321,698,731

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10 TRADE AND OTHER RECEIVABLES

	GROUP			COMPANY NDC		
	30.06.2023	30.06.2022	30.06.2022	30.06.2023	30.06.2022	30.06.2022
	TZS	TZS	TZS	TZS	TZS	TZS
	Restated			Restated		
Trade Receivables	11,520,375,571	9,517,705,736	9,435,643,940	10,195,357,758	8,138,276,006	8,138,276,006
Other Receivables	1,881,013,780	1,732,795,058	1,732,795,055	7,193,124,914	6,968,492,130	6,968,492,130
Receivable Labiofam	-	-	3,814,289,094	-	-	3,814,289,094
Advance Payments	4,510,000	482,960,393	482,960,393	4,510,000	482,960,393	482,960,393
Staff Receivables	286,696,840	361,508,334	361,508,334	286,696,840	361,508,334	361,508,334
Short term Loan Receivable	14,878,613	14,878,613	14,878,613	14,878,613	14,878,613	14,878,613
	13,707,474,804	12,109,848,131	15,842,075,429	17,694,568,125	15,966,115,476	19,780,404,570
Less: Provision For Bad Debts	(2,100,174,790)	(1,408,763,001)	(1,377,586,412)	(1,615,989,443)	(878,221,376)	(878,221,376)
	11,607,300,014	10,701,085,133	14,464,489,017	16,078,578,682	15,087,894,100	18,902,183,194

11 LOAN TO FARMERS FINANCIAL ASSETS

National Development Corporation performed a detailed analysis of its business models for managing financial assets and analysis of cash flow characteristics. As a result, NDC implemented a change in classification and measurement of Loan advanced to farmers through her tractor lending scheme which were recognized as loan receivables through amortized costs.

Recognition of financial assets

Financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade- date, the date on which NDC commits to sell the asset.

Classification and subsequent measurement of financial assets

From 1 June 2018, NDC applied IFRS 9 and classifies its financial assets at amortized cost.

Business model

Business model reflects how NDC manages its assets in order to generate cash flows. That is, whether NDC's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. Solely Payments of Principal and Interest ("SPPI") test where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, NDC assess whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In

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making this assessment, NDC considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, these exposures were not consistency with a normal lending agreements NDC does not charge interest on the loans and there are no contractual monthly instalments up to the end of the contracts. Farmers are required to make any payments within period of two years. The default exposure is not within the period of 12 months, these assets are classified under Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by expected credit loss allowance. The table below shows financial asset classification and exposure during the year end 30 June 2023:

Loan to Farmers-Financial Assets		Stage 1	Stage 2	Stage 3	Total
Loan at Amortized Costs as at 30.06.2023	Gross Exposure	-	-	27,296,980,525	27,296,980,525
Impairment allowance as at 30.06.2023	Expected Credit Loss	-	-	8,375,633,528	8,375,633,528
Net Exposure as at 30.06.2023		-	-	18,921,346,997	18,921,346,997

Financial Assets		Stage 1	Stage 2	Stage 3	Total
Loan at Amortized Costs as at 30.06.2022	Gross Exposure	-	-	27,809,867,459	27,809,867,459
Impairment allowance as at 30.06.2022	Expected Credit Loss	-	-	9,113,401,595	9,113,401,595
Net Exposure as at 30.06.2022		-	-	18,696,465,865	18,696,465,865

12 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY NDC	
	30.06.2023 TZS	30.06.2022 TZS	30.06.2023 TZS	30.06.2022 TZS
Cash at Bank	7,936,864,239	5,882,887,784	7,799,526,403	5,881,685,541
Cash on Hand	-	-	-	-
	7,936,864,239	5,882,887,784	7,799,526,403	5,881,685,541

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13 CAPITAL FUND

	GROUP		CORPORATION	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Opening Balance	167,413,229,962	142,108,940,139	167,413,229,962	142,108,940,139
Changes in Asset Transferred		1,904,289,823		1,904,289,823
Loan Converted to Equity		23,400,000,000		23,400,000,000
Assets transferred to NDC	9,570,749,540		9,570,749,540	
	176,983,979,502	167,413,229,962	176,983,979,502	167,413,229,962

14 DEFERRED GRANTS

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Opening Balance	5,881,194,531	2,138,918,139	5,881,194,531	2,138,918,139
Adjustments on Grants	-	(948,183,727)	-	(948,183,727)
Government Subvention	19,552,978,420	6,632,161,573	19,552,978,476	6,632,161,629
	25,434,172,951	7,822,895,985	25,434,173,007	7,822,896,041
Grants Amortized	(17,710,286,567)	(1,941,701,510)	(17,710,286,567)	(1,941,701,510)
	(17,710,286,567)	(1,941,701,510)	(17,710,286,567)	(1,941,701,510)
Balance at the Year End	7,723,886,384	5,881,194,475	7,723,886,440	5,881,194,531

15 LONG TERM LOAN

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Principal	4,520,817,778	4,520,817,779	4,520,817,778	4,520,817,779
Accrued interest	7,245,606,744	5,910,038,813	7,245,606,744	5,910,038,813
TOTAL	11,766,424,522	10,430,856,592	11,766,424,522	10,430,856,592
Long Term Loan				
Current Maturity Long Term Loan	11,766,424,522	10,430,856,592	11,766,424,522	10,430,856,592
TOTAL	11,766,424,522	10,430,856,592	11,766,424,522	10,430,856,592

On 28 September 2016 NDC acquired a long-term loan of TZS 4.599 billion from NSSF for the purpose of financing testing, commissioning and working capital requirements for Biolarvicides Plants the loan was expected to be fully repaid within 3 three years with an interest rate of 13.5% per annum.

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16 OTHER FINANCIAL LIABILITIES

	GROUP		CORPORATION	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZ	TZ
Export Trading Company	1,530,550,663	1,530,550,663	1,530,550,663	1,530,550,663
	<u>1,530,550,663</u>	<u>1,530,550,663</u>	<u>1,530,550,663</u>	<u>1,530,550,663</u>

17 TRADE AND OTHER TRADE PAYABLES

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Trade Payables	1,578,086,928	2,471,659,080	1,045,055,932	1,855,010,965
Other Payables	8,620,509,096	8,365,267,077	5,109,924,013	5,076,327,635
Other Payables and Accruals	2,066,598,330	1,258,467,257	1,229,464,261	1,149,796,045
	<u>12,265,194,354</u>	<u>12,095,393,414</u>	<u>7,384,444,206</u>	<u>8,081,134,645</u>

18 INVESTMENT INCOME

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Income from Commercial Properties	2,202,833,994	1,792,001,887	2,202,833,994	1,792,001,887
Income from Residential Properties	447,117,737	528,598,769	429,787,290	515,028,769
Government Subvention	18,667,921,381	3,212,603,703	17,710,286,568	2,012,603,703
Income From Tancoal	2,161,334,915	2,218,812,800	2,161,334,915	2,218,812,800
Income from ETC Cargo	650,000,000	500,000,000	650,000,000	500,000,000
	<u>24,129,208,027</u>	<u>8,252,017,159</u>	<u>23,154,242,767</u>	<u>7,038,447,159</u>

19 OTHER INCOME

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
OC Institutional Support	2,805,632,749	886,781,503	2,805,632,749	886,781,503
Interest Received	381,119,000	-	381,119,000	-
Miscellaneous Receipts	3,104,187	7,973,468	3,104,187	7,973,467
Income From Tractor Assembly Plant	20,910,820	897,908,856	20,910,820	897,908,856
Provision Gain	46,356,278	-	-	-
	<u>3,257,123,034</u>	<u>1,792,663,827</u>	<u>3,210,766,756</u>	<u>1,792,663,827</u>

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20 PERSONNEL EXPENSES

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Salary and Wages	3,698,927,407	2,961,508,723	2,727,281,195	2,609,784,994
Cost Of Living Allowance COLA	-	-	-	-
House Allowance	168,766,483	169,328,000	168,766,483	169,328,000
Social Contribution PSPF/PPF	530,313,429	501,393,840	386,088,709	359,754,822
Annual Leave Passage	262,530,288	220,955,265	262,530,288	220,955,265
Medical Expenses	224,011,252	104,953,608	167,847,277	61,411,030
Gratuity	-	-	-	-
Payroll Levy	143,663,347	138,823,034	105,157,971	100,861,304
Retirement/Severance Benefits	60,573,758	45,595,690	58,573,758	45,595,690
Outfit Allowance	98,500,000	91,500,000	98,500,000	91,500,000
Staff Training	129,488,820	127,922,403	118,978,820	127,922,403
Transport Allowance	242,290,168	109,914,400	229,660,746	109,894,400
Overtime	230,082,563	9,852,668	206,811,695	9,707,600
Acting Allowance	61,420,176	94,275,552	61,420,176	94,275,552
Workers Compensation Funds	10,079,872	10,674,187	5,266,700	5,928,971
Work permit Charges	664,580	13,730,920	-	-
Other Employees Benefits	34,000,000	32,000,000	34,000,000	32,000,000
Management Fees	44,837,287	-	-	-
TOTAL	5,940,149,430	4,632,428,290	4,630,883,818	4,038,920,031



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21 ADMINISTRATIVE EXPENSES

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Advertisement and Publicity	23,083,407	6,457,900	-	6,457,900
Assets Below threshold	-	67,186,792	-	63,184,630
Cleaning Expenses	44,470,500	38,449,064	26,619,500	33,129,064
Compensation/Eviction charges	-	2,039,040	-	2,039,040
Computer Accessories	3,659,000	3,124,400	3,659,000	3,124,400
Condolences & Burial Expenses	3,564,000	42,504,784	2,664,000	40,704,784
Courier and Postage	5,668,233	6,628,400	5,668,233	6,628,400
Electricity Expenses	139,608,439	104,429,804	49,527,245	66,253,373
Email and Website	59,012,323	47,100,253	59,012,323	47,100,253
Expected Credit Loss	-	-	-	-
Fuel Expenses	176,024,279	180,022,718	172,982,203	179,382,718
Fuel for Production	47,434,500	18,207,001	-	-
Generator Fuel Expenses	1,083,040	40,000	1,083,040	40,000
Generator Running Expenses	20,000	2,860,970	20,000	2,860,970
Health and Safety expenses	5,603,580	-	-	-
Inventory adjustment account	-	56,285,523	-	56,285,523
Insurance	-	8,408,026	-	8,408,026
ISO Certification Expenses	26,089,779	34,455,805	-	-
Land Rent and Rates	18,037,793	4,889,347	18,037,793	4,889,347
Library	3,770,000	-	3,770,000	-
Newspaper	-	7,060,000	-	7,060,000
Product Testing Expenses	-	16,250,000	-	-
Printing and Stationary	89,138,525	41,302,710	43,856,880	38,942,110
Repair and Maintenance Office Equipment	180,344,357	32,007,570	12,282,600	7,279,802
Repair and Maintenance Real Estate	40,025,870	36,543,251	40,025,870	36,543,251
Repair and Maintenance Motor Vehicle	39,818,841	39,964,837	39,818,841	38,958,837
Repair and Maintenance Office Premises	-	6,579,904	-	6,579,904
Royalty fees	18,049,972	-	-	-
Security Expenses	63,492,373	79,020,169	45,492,373	51,020,169
Office Refreshment	127,846,550	91,721,690	79,867,050	68,621,690
Raw Materials	87,662,973	20,087,180	-	-
Staff Welfare Committee	46,242,400	10,666,000	6,155,000	2,150,000
Student Sundries	6,120,000	9,900,000	6,120,000	9,900,000
Stock Adjustment Account	-	191,211,743	-	-
Telephones & Fax	52,372,293	43,832,600	43,485,000	39,348,600
Tender Board Expenses	51,769,000	28,719,996	47,419,000	27,159,996
Travel Expenses	305,519,587	332,669,473	288,465,747	324,392,564
Vehicle Running Expenses	50,905,695	38,670,144	49,175,695	38,670,144
Water and Sewage	33,101,005	17,490,506	18,004,491	6,147,965
Workers Council	4,174,000	-	-	-
Inventory Write Down Account	640,000	31,176,589	640,000	-
Obsolete Inventories	-	106,184,501	-	12,025,000
TOTAL	1,754,352,314	1,804,148,688	1,063,851,884	1,235,288,458

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22 OTHER EXPENSES

	GROUP		COMPANY NDC	
	30.06.2023 TZS	30.06.2022 TZS	30.06.2023 TZS	30.06.2022 TZS
Audit Fees	84,000,000	129,000,000	54,000,000	94,000,000
Audit Related Expenses	112,471,583	40,373,040	88,621,583	35,523,040
Business Promotion and Publicity	107,889,702	61,803,521	107,889,702	32,102,900
Consultancy Fees	80,783,990	45,828,763	75,178,990	45,828,763
Directors Expenses	81,470,700	64,953,896	81,470,700	59,351,896
Directors Fees	82,000,000	82,000,000	82,000,000	82,000,000
Donation and Contribution	5,000,000	3,250,000	5,000,000	3,250,000
General Expenses	-	455,000	-	455,000
Legal and Professional Expenses	10,441,420	83,433,517	10,441,420	16,745,000
License Fees	930,000	1,266,056	930,000	1,266,056
Membership & Subscriptions	12,181,000	15,363,000	8,951,000	15,363,000
Nyanza Operating Expenses	600,000	1,000,000	600,000	1,000,000
Research and Development	115,758,300	5,360,000	115,758,300	5,360,000
Software Annual support	25,633,796	11,625,000	25,633,796	11,625,000
Trade Fair and Others	-	17,459,186	-	17,459,186
Woman/May Day Expenses	9,999,500	10,824,000	9,999,500	10,824,000
TOTAL	729,159,991	573,994,980	666,474,991	432,153,841



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23 PROJECT DEVELOPMENT COSTS

	GROUP		COMPANY NDC	
	30.06.2023 TZS	30.06.2022 TZS	30.06.2023 TZS	30.06.2022 TZS
Mchuchuma Colliery & Power	5,497,923,548.20	20,805,636.00	5,497,923,548.20	20,805,636.00
Liganga Iron & Steel	9,402,519,400.00	-	9,402,519,400.00	-
Oil Palm Coastal Regional Rubber Plantation	-	8,316,400.00	-	8,316,400.00
Kilombero/Muheza	-	146,114,992.12	-	146,114,992.12
TAMCO-Industrial Park	132,045,826.64	134,071,758.99	132,045,826.64	134,071,758.99
KMTC-Factory	212,912,816.69	838,376,805.52	212,912,816.69	838,376,805.52
Malaria Control Project	-	24,590,000.00	-	24,590,000.00
KANGE-Industrial Park	-	2,700,000.00	-	2,700,000.00
Nyaza Glass Industrial Park	5,437,413.27	-	5,437,413.27	-
Rice Project	-	53,123,000.00	-	53,123,000.00
Maganga Matitu-Kasi Mpya	158,323,500.00	-	158,323,500.00	-
ETC Cargo	-	36,723,358.25	-	36,723,358.25
General Tyre EA/Tyre Manufacturing Co.	27,171,308.88	151,730,767.80	27,171,308.88	151,730,767.80
Engaruka Soda Ash	299,766,530.55	-	299,766,530.55	-
Pangani Quarry Project	-	265,364,523.85	-	265,364,523.85
Ursus tractor Assembly Project	243,563,943.60	-	243,563,943.60	-
N95 Masks and Latex Project	-	9,244,000.00	-	9,244,000.00
Katewaka Coal	238,471,225.00	705,000.00	238,471,225.00	705,000.00
Mhukuru Coal project	3,100,595.00	2,448,112.00	3,100,595.00	2,448,112.00
Kihuhwi Rubber	37,557,995.00	-	37,557,995.00	-
Kalunga Rubber	123,761,600.00	-	123,761,600.00	-
Mang'ula Project	38,701,625.00	-	38,701,625.00	-
TOTAL	16,421,257,328	1,694,314,355	16,421,257,328	1,694,314,355

24 FINANCE EXPENSES

	GROUP		COMPANY NDC	
	30.06.2023 TZS	30.06.2022 TZS	30.06.2023 TZS	30.06.2022 TZS
Interest Charges	1,335,567,930	610,310,400	1,335,567,929	610,310,400
Bank Charges and Commission	3,819,257	9,701,307	1,688,201	9,312,806
Loan Penalties	-	932,034,959	-	932,034,959
TOTAL	1,339,387,187	1,552,046,666	1,337,256,130	1,551,658,165

NATIONAL DEVELOPMENT CORPORATION

25 REVALUATION RESERVES

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Opening balance	21,600,325,427	21,600,325,427	10,760,264,427	10,760,264,427
Revaluation During the Year	30,114,175,491	-	-	-
Balance at 30th June 2023	<u>51,714,500,918</u>	<u>21,600,325,427</u>	<u>10,760,264,427</u>	<u>10,760,264,427</u>

Revaluation Reserves relates to Revaluation on Property, Plant and Equipment which was conducted in the financial year end June 2018 for both Tanzania Biotech Products Limited and National Development Corporation Surplus was TZS 10,760,264,427 for National Development Corporation and TZS 10,840,061,000 for Tanzania Biotech Products Limited. In the current year reported June 2023 only TBPL (subsidiary) conducted revaluation of property, Plant and Equipment which had surplus of TZS 30,114,175,491 making a total of revaluation surplus of TZS 51,714,500,918 for Group balance.

26 SALES

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Proceeds From Domestic Market	528,651,865	564,191,059	-	-
Proceeds from Foreign market	218,108,250	400,275,559	-	-
Income From KMTC	66,322,500	72,412,500	66,322,500	72,412,500
Income from Rubber Plantation-Kihuhwi	138,585,500	313,154,693	138,585,500	313,154,693
Income from Rubber Plantation-Kalung	55,370,000	125,116,808	55,370,000	125,116,808
	<u>1,007,038,115</u>	<u>1,475,150,619</u>	<u>260,278,000</u>	<u>510,684,001</u>

27 COST OF GOODS SOLD

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
Opening Balance	9,085,485,342	8,594,918,722	8,321,698,731	8,007,853,411
Add:				
Production During the Year	966,421,213	1,190,572,653	422,395,456	247,388,860
Goods Available for Sale	10,051,906,555	9,785,491,375	8,744,094,187	8,255,242,271
Less: Closing Stock	8,692,205,713	9,085,485,342	7,908,177,830	8,321,698,731
	<u>1,359,700,842</u>	<u>700,006,033</u>	<u>835,916,357</u>	<u>(66,456,460)</u>
Adjustments on Stock	(688,806,763)	454,586,113	(672,504,803)	436,570,371
Provision on Obsolete Inventory	71,843,323	71,843,323	71,843,323	71,843,323
	<u>742,737,402</u>	<u>1,226,435,469</u>	<u>235,254,877</u>	<u>441,957,234</u>

28 CONTINGENT LIABILITIES

There was no contingent liability during the period under review.

29 CAPITAL COMMITMENTS

The Corporation had no capital commitments as at 30 June 2023.

30 NUMBER OF EMPLOYEES

The number of employees at the end of the period was 82 (30 June 2022: 88).

31 CAPITAL MANAGEMENT

The primary objective of the Corporation's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. No changes were made in the objectives or processes during the twelve months ended 30 June 2023.

The Corporation monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Corporation's policy is to keep the gearing ratio below 30%. The Corporation includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. These were as below:

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's principal financial instruments comprise treasury loans and trade payables. The main purpose of these financial instruments is to raise finance for the Corporation's operations. The Corporation has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations and other government revenue sources.

The main risks arising from the Corporation's financial instruments are treasury risk management, interest rate risk, credit risk, liquidity risk, and foreign currency risk. The Board reviews and agrees policies for managing each of these risks which are summarized below:

a. Treasury risk management

The Corporation operates a treasury function to provide competitive funding costs, invest and monitor financial risk. The Corporation does not use derivative financial instruments for speculative purposes.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates is insignificant as the Corporation has fixed interest rate on borrowings.

c. Credit risk management

Potential concentration of credit risk consists principally of short-term cash and trade debtors. The Corporation deposits short term cash surpluses only with banks of high credit standing. Trade debtors are presented net of allowance for doubtful debts. For the majority of customers, including export clients, full upfront payment is demanded. With few exceptions, credit customers are secured by guarantees issued by reputable banks. Accordingly, the Corporation has no significant concentration of credit risk that has not been adequately provided for.

d. Liquidity risk

The Corporation adopts a liquidity policy that addresses acceptable ranges of operational liquidity and a maximum limit on liquidity borrowings sources. The Corporation ensuring enough liquidity to guarantee the day-to-day operations costs by employing measures on debts collection and funds mobilization.

e. Foreign currency risk

Foreign exchange risks are quantified by identifying all currently liabilities denominated in foreign currency and identifying contractually committed future currency transactions. The foreign exchange exposure will exist until settlement or until the exchange rate is fixed. The foreign exchange exposure is determined by aggregating these balances by currency and settlement date and converting to reporting currency i.e. Tanzania Shilling.

33 COMPARATIVE FIGURES

Previous year's figures have been regrouped whenever appropriate to make them comparable with current year figures.

34 RELATED PARTY TRANSACTIONS

Name	30.06.2023	30.06.2022
	TZS	TZS
Geo Wind Ltd	703,531,884	703,531,884
Tanzania China International Mineral Resource Ltd.	68,000,000	68,000,000
Export Trading Company Ltd.	1,530,550,663	1,530,550,663
Tancoal Energy Ltd.	75,507,590	75,507,590
Matinje Gold Company Ltd.	14,878,613	14,878,613
Tanzania Biotech Products Ltd	57,967,468	47,574,750,515
	2,450,436,218	49,967,219,265
Directors Emoluments		
Director Expenses	23,609	446,893,116
	23,609	446,893,116

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35 RECONCILIATION OF CASH FLOWS

a. Cashflow Reconciliation

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS	TZS	TZS	TZS
OPERATING ACTIVITIES				
Profit For the Year Before Tax	24,828,855,588	(5,771,521,559)	839,007,795	(1,900,991,866)
Adjustments for Non Cash Items				
Depreciation	5,427,722,138	5,838,649,064	1,434,177,092	1,848,003,760
Loss on Foreign Currency Translation	(13,045,597)	(1,803,994)	(2,876,391)	491,009
Bad Debt	(127,946,992)	(3,713,374,657)	(127,946,992)	(3,713,374,657)
Amortization of Grants	(18,667,921,382)	(3,212,603,703)	(17,710,286,568)	(1,941,701,509)
Changes in Provision Financial Assets	(174,303,270)	(3,947,837,135)	(174,303,270)	(3,947,837,135)
Revaluation Gain	(28,754,323,499)			
Cash Used Before Working Capital Changes	(17,480,963,014)	(10,808,491,984)	(15,742,228,334)	(9,655,410,398)
Changes in Working Capital				
(Increase)/Decrease in Stock	606,742,406	(490,559,020)	413,520,901	(313,845,320)
(Increase)/Decrease in FA-Loan to Farmers	(224,881,133)	3,572,913,149	(224,881,133)	(3,572,913,149)
(Increase)/Decrease in Trade Receivables	(990,684,577)	1,989,542,496	2,823,604,516	(1,989,542,496)
(Decrease)/Increase in Trade and Payables	(125,891,443)	(3,278,187,112)	(4,655,244,822)	(3,278,187,112)
(Decrease)/Increase in Other Deferred Grants	1,842,691,909	3,742,276,393	1,842,691,909	3,742,276,392
(Decrease)/Increase in Current Maturity Long term Loan	1,335,567,930	(80,991,818,284)	1,335,567,930	(92,554,815,224)
Adjustments relates to Working Capital	(3,213,094,213)	83,015,867,504	(3,230,993,879)	105,622,079,373
	(769,549,122)	7,560,035,126	(1,695,734,579)	7,655,052,465
Net Cash generated by Operating Activities	(18,250,512,136)	(3,248,456,858)	(17,437,962,912)	(2,000,357,933)

b. Receipts From Customer

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Income/Revenues	27,649,861,328	10,293,396,137	26,390,032,646	8,899,837,753
Opening Trade Receivable	29,397,550,997	22,114,432,694	15,087,894,102	13,098,351,606
Closing Trade Receivables	30,528,647,013	29,397,550,997	16,078,578,679	15,087,894,102
Opening FA-Loan to Farmers	18,696,465,865	15,123,552,716	18,696,465,865	15,123,552,716
Closing FA-Loan to Farmers	18,921,346,997	18,696,465,865	18,921,346,997	18,696,465,865
Changes during the year	28,556,076,211	14,003,601,291	27,155,836,091	7,316,467,100
Less: Non- Cash Transactions	24,440,221,805	7,601,725,495	23,666,406,213	1,274,754,339
Cash Receipts During the Year	4,115,854,406	6,401,875,796	3,489,429,878	6,041,712,761

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c. Payment to Supplier and Employees

	GROUP		COMPANY NDC	
	30.06.2023	30.06.2022	30.06.2022	30.06.2021
Changes in Inventory	606,742,406	(490,559,020)	(313,845,320)	(1,226,578,411)
Changes in Trade Payables	(4,655,244,822)	(3,278,187,112)	(3,633,269,471)	500,971,097
Operating Expenses	17,825,425,042	17,825,425,043	10,800,829,619	32,078,865,560
Changes in Prepaid Expenses/Accrued Liabilities	(91,219,247,294)	(80,991,818,284)	(18,032,299,026)	(25,099,216,156)
Non cash Transaction	55,075,958,125	57,284,806,719	3,136,513,504	(12,097,560,885)
Cash paid to Suppliers and Employees	(22,366,366,542)	(9,650,332,654)	(8,042,070,694)	(5,843,518,796)

36 RESTATEMENT OF FINANCIAL STATEMENTS

As a result of changes in the entity reclassification of Treasury loan Capital Funds after conversion, Prior year financial statements had to restarted. The reclassification and adjustments arising from the application of IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors from prior year affects items in Capital Funds and Long term-Loan after conversion of loan to Equity, These changes are reflected in the restated statement of Financial Position as at 30 June 2023, opening balance of 1 July 2022 and Comparative figures of prior year.

The following tables show the adjustments recognized for each individual line item. Line items that were not affected by the changes have been excluded. As a result, subtotals and totals disclosed cannot be recalculated from the numbers provided.

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Note 35 Continued

Item Description	30.06.2022		Group		30.06.2022		Corporation	
	Restated	TSH	Net Change	TSH	Restated	TSH	Net Change	TSH
Finance Expenses	1,339,387,187		10,233,311,060	11,572,698,247	1,551,658,165		10,020,651,581	11,572,309,746
Net Foreign Exchange Loss	(1,803,994)		2,295,004	491,009	491,009		-	491,009
	30.06.2022		Net Change	30.06.2022	30.06.2022		Net Change	30.06.2022
	TZS			TZS	TZS			TZS
ASSETS EMPLOYED	Restated			Restated				
Inventory	9,085,485,342		(213,462,776)	7,908,177,830	8,321,698,731			8,321,698,731
Trade Other Receivables	10,701,085,133		3,763,403,885	14,464,489,018	15,087,894,102		3,814,289,093	18,902,183,195
Retained Earnings	(11,680,988,765)		(69,920,155,864)	(81,601,144,629)	9,186,312,558		(69,869,879,508)	(60,683,566,950)
Trade and Other Payables	12,095,393,411		4,529,353,379	16,624,746,790	8,081,134,645		4,529,353,378	12,610,488,023

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37 LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES

a) Payables

LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE, 2023				
S/N	Goods/Services received	Name of entity provided goods/services	Amounts paid	Paid balance
1	Arusha International Conference Centre	Conference services	12,691,032	5,000,000
2	National Insurance Corporation of TZ	Renewable License fees	4,692,842	14,621,331
3	Suma JKT Guard Ltd	Security services	22,025,000	24,115,000
4	National Health Insurance Fund	Health fund contribution	16,880,433	22,311,947
5	TANESCO	Electricity bill	-	9,203,748
6	Tanzania Broadcasting Corporation	Advertisement cost	24,860,000	12,980,000

b) Receivables

		HALMASHAURI MKOA WA MWANZA	Amount received	Receivable balance
1	Sells of Biolavicides product	Halmashauri ya Wilaya ya Ilmela	1,746,933	9,605,067
2	Sells of Biolavicides product	Halmashauri ya Wilaya ya Magu	-	14,256,000
3	Sells of Biolavicides product	Halmashauri ya Wilaya ya Buchosa	-	13,200,000
4	Sells of Biolavicides product	Halmashauri ya Wilaya ya Kwimba	-	10,560,000
5	Sells of Biolavicides product	Halmashauri ya Wilaya ya Sengerema	528,000	6,864,000
6	Sells of Biolavicides product	Halmashauri ya Jiji la Mwanza	-	22,176,000
7	Sells of Biolavicides product	Halmashauri ya Wilaya ya Nansio/Ukerewe	-	18,480,000
8	Sells of Biolavicides product	Halmashauri ya Wilaya ya Misumngwi	300,000	9,204,000
		HALMASHAURI MKOA WA MARA		
1	Sells of Biolavicides product	Halmashauri ya Wilaya ya Musoma	-	3,168,000
2	Sells of Biolavicides product	Halmashauri ya mji ya Bunda	-	558,000
3	Sells of Biolavicides product	Halmashauri ya Wilaya ya Rorya	-	1,595,102
4	Sells of Biolavicides product	Halmashauri ya Wilaya ya Serengeti	3,500,000	4,050,000
5	Sells of Biolavicides product	Halmashauri ya Wilaya ya Tarime	-	5,016,000
6	Sells of Biolavicides product	Halmashauri ya Wilaya ya Bunda	-	1,848,000
7	Sells of Biolavicides product	Halmashauri ya Manispaa ya Musoma	-	4,290,000
8	Sells of Biolavicides product	Halmashauri ya Wilaya ya Butiama	1,967,560	10,440,440
		HALMASHAURI MKOA WA MBEYA		
1	Sells of Biolavicides product	Halmashauri ya Wilaya ya Chunya	5,280,000	13,200,000
2	Sells of Biolavicides product	Halmashauri ya Wilaya ya Rungwe	-	5,280,000