REPORT OF THE CONTROLLER AND AUDITOR

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

NATIONAL DEVELOPMENT CORPORATION (NDC)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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March 2025

AR/PA/NDC/2023/24

About the National Audit Office

Mandate

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

NAOT Vision, Mission & Motto

01 Vision

To be a credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

02 Mission

To provide high-quality audit services through the modernisation of functions that enhance accountability and transparency in the management of public resources.

03 Motto

Modernising External Audit for Stronger Public Confidence

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 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 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of material accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of National Development Corporation as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) .

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 Report of Those Charged with Governance, statement of management responsibility, Declaration by the Head of Finance and but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

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 2023/24 as per the Public Procurement laws.

Conclusion

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

Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in National Development Corporation for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that 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.
March 2025

NATIONAL DEVELOPMENT CORPORATION

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 charged with Governance hereby submit their Report and Consolidated Audited Financial Statements of National Development Corporation, for the year ended 30 June 2024.

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 and approving 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	Appointment Date
1	Dr. Yamungu Kayandabila	Chairperson	53	PhD in Economics	16 September 2021
2	Dr. Edwin P. Mhede	Deputy Chairperson	47	PhD in Development Economics	20 September 2021
3	Dr. Pendo N. Bigambo	Member	40	PhD in Mechanical Engineering	20 September 2021
4	Dr. Abdlrahman S. Mwanga	Member	48	PhD in Mineral Processing	20 September 2021
5	Mr. Edson F. Mweyunge	Member	46	1st graduate cert. of International Trade Law	20 September 2021
6	Dr. Godfrey S. Ayubu	Member	51	PhD in Architecture	20 September 2021

No.	Name	Status	Age	Qualification	Appointment Date
7	Mr. Nathaniel M. Mhonge	Member	53	Msc Land Management	20 September 2021
8	Dr. Nicolaus H. Shombe	Managing Director - Secretary	47	PhD in Development Economics	29 October 2021

Meetings attended:

No.	Name	Status	8/9/2023	4/12/2023	9/2/2024	17/5/2024
1	Dr. Yamungu Kayandabila	Chairperson	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
4	Dr. Abdlrahman S. Mwanga	Member	-	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

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

(i) Deliberated on the report regarding the JVA between NDC and ETC CARGO and approved renegotiations for the review of JVA.
(ii) Deliberated and approved the Background Paper for enactment of NDC new Act to be submitted to the Ministry of Industry and Trade for stakeholders' engagement.
(iii) Deliberated and approved the division of mining licenses for Katewaka Coal Project.
(iv) Deliberated and approved change of land use at TAMCO Kibaha, this decision has financial impact because number of investors at TAMCO has increased.
(v) Deliberated and approved the Guide on criterion for selection of Board Members for Subsidiary Companies and Associates.
(vi) Appointed Tanzania Biotech Products Limited (TBPL) Board of Directors.
(vii) Approved readvertisement of Tyre Manufacturing Project (GTEA) at Arusha for acquisition of Strategic Investor.

Composition of Board Committees

(i) AUDIT AND RISK MANAGEMENT					
	Name	Status	Age	Qualification	Effective Date
1	Mr. Edson F. Mweyunge	Chairperson	46	1st graduate certificate of International Trade Law	Appointed 27 Dec 2021
2	Dr. Pendo N. Bigambo	Member	40	PhD in Mechanical Engineering	Appointed 27 Dec 2021

NATIONAL DEVELOPMENT CORPORATION

(i) AUDIT AND RISK MANAGEMENT					
	Name	Status	Age	Qualification	Effective Date
3	Dr. Godfrey S. Ayubu	Member	51	PhD in Architecture	Appointed 27 Dec 2021
4	Mr. Nathaniel M. Mhonge	Member	53	Msc. Land Management	Appointed 27 Dec 2021
5	Mr. Thabit O. Dokodoko	Co-opted member	42	Msc. Economics & Finance for Development	Appointed 8 Sept 2023
5	Dr. Nicolaus H. Shombe	Managing Director - Secretary	47	PhD Development Economics	Appointed 29 Oct 2021

The **Audit and Risk Management Committee** convened a total of four meetings during the Financial Year 2023/24, held on 5 September 2023, 28 November 2023, 6 February 2024, and 14 May 2024. Throughout these sessions, the Committee reviewed and deliberated on key governance and compliance matters, including the Internal Audit reports, progress on the implementation and finalization of the Controller and Auditor General (CAG) recommendations, and the review and discussion of NDC's audited financial statements. These meetings played a crucial role in enhancing financial oversight, risk management, and ensuring adherence to regulatory and governance standards.

(ii) FINANCE AND INVESTMENT COMMITTEE					
	Name	Status	Age	Qualification	Effective Date
1	Dr. Edwin P. Mhede	Chairperson	47	PhD in Development Economics	Appointed 27 Dec, 2021
2	Dr. Pendo N. Bigambo	Member	40	PhD in Mechanical Engineering	Appointed 27 Dec, 2021
3	Dr. Godfrey S. Ayubu	Member	51	PhD in Architecture	Appointed 27 Dec, 2021
4	Dr. Abdulrahman S. Mwanga	Member	48	PhD in Mineral Processing	Appointed 27 Dec, 2021
5	Mr. Nathaniel M. Mhonge	Member	53	Msc. Land Management	Appointed 27 Dec, 2021
6	Mr. Edson F. Mweyunge	Member	46	1st graduate certificate of International Trade Law	Appointed 27 Dec, 2021
7	Dr. Nicolaus H. Shombe	Managing Director - Secretary	47	PhD in Development Economics	Appointed 29 Oct, 2021

The Finance and Investment Committee convened four ordinary meetings on 6 September 2023, 27 November 2023, 5 February 2024, and 13 May 2024, along with one extraordinary meeting held on 19 September 2023. During these sessions, the Committee reviewed and deliberated on key financial and strategic matters, including the progress report on KMTC Manufacturing Company, the Corporation's overall performance and financial review, budget reallocation, and reports on subsidiary and associate companies. Additionally, the Committee assessed the Corporation's resource mobilization strategy, ensuring alignment with financial sustainability and investment objectives.

1.	HUMAN RESOURCES COMMITTEE				
No.	Name	Status	Age	Qualification	Effective Date
1	Dr. Pendo N. Bigambo	Chairperson	40	PhD in Mechanical Engineering	27 Dec, 2021
2	Mr. Edson F. Mweyunge	Member	46	1st graduate certificate of International Trade Law	27 Dec, 2021
3	Dr. Edwin P. Mhede	Member	47	PhD in Development Economics	27 Dec, 2021
4	Dr. Nicolaus H. Shombe	Managing Director-Secretary	47	PhD in Development Economics	27 Dec, 2021

The Human Resources and Administration Committee held four meetings during the Financial Year 2023/24, on 6 September 2023, 27 November 2023, 6 February 2024, and 15 May 2024. During these meetings, the Committee reviewed and deliberated on key human resource and administrative matters, including the Human Resources progress report, the implementation of the Client Service Charter, the appointment of board members for subsidiaries and associate companies, and the implementation of the e-Mrejesho system. These discussions aimed to enhance governance, service delivery, and operational efficiency within the Corporation.

2.4.2 Remuneration

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

2.4.3 Capital Structure

As a government owned entity, the National Development Corporation (NDC) maintains a capital structure that reflects its strategic mandate to drive industrial and economic development. The Corporation's capital base, as presented in the Statement of Financial Position for the Financial Year ended 30 June 2024, comprises a combination of internally generated funds and government allocations.

The primary sources of funding include investment income from investment properties and associate companies, as well as annual budgetary allocations from the Government to support key development initiatives. As of 30 June 2024, the Corporation's total equity stood at TZS 195.51 billion, with capital funds amounting to TZS 176.98 billion and a revaluation surplus of TZS 10.76 billion. Additionally, retained earnings totalled TZS 7.75 billion, reflecting accumulated reserves from operational activities.

NDC remains committed to optimizing its capital structure by enhancing investment efficiency, strengthening financial sustainability, and mobilizing additional resources to support its long-term development agenda.

2.4.4 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)

Shareholders of NDC

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

2.5 BUSINESS STRATEGIC OBJECTIVES

The Corporation focus on the following strategic objectives:
1. Development and implementation of basic and high impact industries.
2. Development and implementation of value addition industries.

2.6 CURRENT AND FUTURE DEVELOPMENTS

The National Development Corporation (NDC) is committed to advancing both foundational and value-added industries, aiming to serve multiple sectors and national interests to strengthen the economy. Through industrialization, NDC seeks to reshape the country's production and trade landscape, focusing on job creation, value addition, income generation, technology transfer, innovation, and boosting foreign exchange earnings.

To fulfil its vision and mission, NDC has crafted a five-year Corporate Strategic Plan (2021/22 to 2025/26), drawing on the successes of its predecessor, lessons learned, and addressing emerging issues and challenges to align with current circumstances. The corporation has also established internal guidelines, including an investment guideline, resource mobilization strategies, and electronic systems to enhance performance and efficiency in executing its mandate. NDC's operations are fully compliant with national industrial development policies, strategies, and plans, including the 2020 Ruling Party Election Manifesto, the Five-Year Development Plan III (2020/21-2025/26), the Sustainable Development Goals (2015-2030), and the Integrated Industrial Development Strategy 2025.

The plan clearly outlines new projects, ventures, and investments that will be prioritized. It also details the current operating environment of the industrial sector, addressing the challenges faced by both foundational and value-added industries. Additionally, the plan considers long-term trends that could influence the value, innovation, and adaptability of Tanzania's industries and explains how NDC will implement its strategies in alignment with its mandate.

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

The following are active Subsidiaries Companies During the financial year

1. Tanzania Biotech Products Limited
2. KMTC Manufacturing Limited

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.

2.6.1 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).

2.6.2 Maganga Matitu Sponge Iron Project

The project is located at Liganga area, Ludewa District, Njombe Region. The history of the iron ore project begins in 2007 when the NDC entered into a contract with an investor from MM Steel Resources Public Limited Company (MMSR). Since the release of the Cabinet Document WBLM No. 14/2007 of 2007 which provided opportunity for indigenous companies to implement this project has not been successful. A major effort was made by the MMSR indigenous company that won and conducted a major study in 2012 to 2017 but ended up bringing the project back to NDC in 2019. When the project was advertised again in 2020, no indigenous companies emerged. Thus, to enable investments with the desired results. The Cabinet sat on May 29, 2024 to review its directive issued in WBLM No. 14/2007 of 2007 to require that only indigenous companies participate in the development of the project to allow other participants or any company with the necessary skills, technology and qualifications for investment in the project, including foreign companies registered in the country. The Cabinet sitting on May 29, 2024 ruled that the NDC should develop the project in partnership with any company capable and willing to implement the project, including Fujian Hexingwang Industry Tanzania Co. Ltd (FUJIAN). NDC conducted several negotiation meetings with FUJIAN Company and finalised key contractual documents such as the Joint Venture Agreement (JVA), the Shareholders' Agreement (SHA), and the MEMART "Memorandum and Article of Association". JVA signing ceremony was conducted on 02 July 2024, the Government through NDC (34%) and FUJIAN COMPANY (64%).

2.6.3 Katewaka Coal Project

The project is located at Katewaka area, Ludewa District, Njombe Region. MM Resources PLC withdrew production of sponge iron due to insufficient resource and requested NDC for Change of Business Model from development and establishment of sponge iron production to commercial coal mining for industrial use and for power generation. However, coal proven reserve at Katewaka coal field is 100 million tons, sufficient for commercial use. 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. 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.

2.6.4 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 two (2) Soda Ash Processing Plants. Currently, the project is being developed by NDC and will involve establishment of solution mine (boreholes) for pumping of liquid sodium carbonate (brine) from aquifers (underground reservoirs) and construction of Soda Ash Processing Plants. The project will also involve establishment of associated infrastructure to support the Plants and the mine. Soda ash production will start for the capacity of 500,000 tons per annum for each Plant, eventually expanding according to market demand.

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.

According to feasibility study, which was completed in May 2021, the Engaruka Basin has estimated 3.8 billion cubic meters of brine which is equivalent to 768.80 million tons of sodium carbonate and 68.30 million tons of sodium bicarbonate.

During the period under review, verification of people affected by project (PAPs) was done by Ministry of Finance and approved the cost of compensation of TZS 14.5 billion. The Ministry of Industry and Trade, Ministry of Minerals, Ministry of Finance, Ministry of Water, Ministry of Energy, Ministry of Works, TANESCO, TANROADS and RUWASA were engaged through meetings to support the implementation of the project by ensuring supporting infrastructure like tarmac road, water and 33Kv power line infrastructures are constructed. Subdivision of project site to enable establishment of two (2) Soda Ash Processing Plants was done.

2.6.5 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 tons 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.

2.6.6 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. Geo Wind wrote a letter requesting NDC to withdraw from the JVC to let the project continue without Government involvement through NDC. After contractual analysis, NDC withdrawn from the project and awaits refund of TZS 703,531,884.07 from the Geo Wind.

2.6.7 Revival Of Arusha Tyre Manufacturing Factory (General Tyre East Africa)

The General Tyre East Africa Limited (GTEA) was established on 1 February, 1969 as a Joint Venture Company. It is located in Themi 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 factory stopped production in 2007 due to old technology. The Government of United Republic of Tanzania acquired 100% ownership of GTEA in 2015. Official handover of GTEA factory between NDC and the Treasury Registrar (TR) was made on 20 December 2018.

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 to produce 1,000,000 tires per year. However, In June 2024, NDC advertised a bid proposal for leasing to develop a Modern Tyre Manufacturing Plant at Arusha.

2.6.8 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. Installation of induction furnace for foundry and installation of galvanizing plant was conducted and completed in financial ended June 2023. KMTC has been incorporated as a subsidiary company of NDC and re-registered in 2023 as KMTC Manufacturing Limited. 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 Manufacturing Limited is operational designing, developing and manufacturing machines and spare parts.

2.6.9 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 Unyianga 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). 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 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. The Project Concept Note was prepared and submitted to TANESCO for review and scrutiny.

2.6.10 Bio-Products Project-Tanzania Biotech Products Limited

NDC has established a Biolarvicides Plant under its subsidiary, Tanzania Biotech Products Limited, located at TAMCO Industrial Estate Kibaha. This facility produces malaria-vector control products such as Biolarvicides and other biological products like Biopesticides and Biofertilizers, utilizing Cuban technology with an annual capacity of six million litres for both local and export markets. The operation is fully owned by the Government through the National Development Corporation.

The Biolarvicides produced include Bacillus Thuringiensis israelensis (Bti-14) and Bacillus Sphaericus Strain 2362 (Bs), marketed under the trade names BACTIVEC and GRISELESF respectively. Trial production started in November 2016, while commercial production began in February 2017. Additionally, the plant has commenced producing Biopesticides (Thurisave-24) for controlling pests in maize, cotton, and vegetables, certified and registered by the Tanzania Plant Health and Pesticides Authority (TPHPA) in June 2022.

During the review period, the plant produced 16,780 litres of Biolarvicides (Bactivec) and 19,393 litres of Biopesticides (Thurisave-24), generating TZS 809,338,336.0 and TZS 3,090,000.0 from their sales respectively, totalling TZS 812,428,336.0. By the end of the year, the Government committed a total of 9.5 billion TZS for 819,219 litres of Biolarvicides, with 2.5 billion TZS allocated for the production of 208,333 litres in the first quarter of the financial year ending June 2025. The Plant is preparing for the official launch of Biopesticides to introduce the product to the market. NDC has successfully supervised the implementation of ISO 9001:2015, enabling the plant to attain international quality certification and speeding up the acquisition of Prequalification from the World Health Organization (WHO) for Biolarvicides products.

2.6.11 NDC Industrial Park

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.

NDC has continued in improving infrastructure in Mwanza Nyanza industrial Park by renovation of godowns at Nyanza glass sheet which were completed in June 2024. Current tenants SGS has increase Nyanza rental space of square 2513 effective from 1st September 2024, NDC expects increase in revenue from Nyanza in the next financial year, Development of Master plan for industrial parks at KMTC, Kange and Nyanza is underway.

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

NDC owns 2,000 acres fully compensated at Mandawa Village in Kilwa District, Lindi Region. The project objective is to establish a large-scale farming of Simsim and edible oil production plant in partnership with the private sector. The project plan is to involve out-growers under the arrangement of contract farming. On the other hand, efforts to find appropriate investment of the Land are on progress, including mining of Limestone for cement factory whereby surface geological investigation was conducted in October 2023 to assess the mineral potential to plan for detailed investigation and mining.

2.6.13 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 72,122 rubber trees of which 44,980 productive trees, 5,425 are unproductive trees including 605 unmatured trees. In addition, there are 21,717 newly planted trees. On the other hand, Kihuhwi Rubber plantation has a total of 58,307. While continuing with sale of natural rubber to Bora industry Limited and other Customers, the Corporation has initiated engagement with MSD for sales of Rubber Latex for manufacturing of Surgical Gloves. NDC has engaged TFS for a grant financing of TZS 847,981,600, submitted in March 2024, for the development of a Rubber Plantation at Kalunga in Morogoro. TFS has responded with an assessment of NDC's request, which is currently under evaluation, with a decision anticipated in September 2024. Moreover, NDC continues to assess the productivity of the Rubber Plantations in both Kihuhwi and Kalunga to determine the optimal management strategy. and MoU for the envisaged partnership is being finalised. In addition, the Corporation is looking for possibility of partnering with private company while continuing with planting of new rubber trees on unplanted areas of the Plantations.

2.6.14 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 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.

Given below are the brief explanations on performance of NDC subsidiaries for the financial year

1. Tanzania Biotech Products Limited

During the Financial Year 2023/24, Tanzania Biotech Products Limited (TBPL) experienced a decline in overall financial performance, reporting a **net loss after tax of TZS (4.12) billion, compared to TZS (6.10) billion loss in the previous year. The company's total revenue stood at TZS 973.05 million, primarily driven by sales income of TZS 809.47 million and other income of TZS 664.41 million. However, high production costs, including raw materials, overhead expenses, and distribution costs totalling TZS 763.91 million**, impacted the gross profit margin.

On the expense side, TBPL incurred personnel expenses of TZS 1.25 billion, administration expenses of TZS 700.89 million, and finance costs of TZS 3.03 million, contributing to the overall operational deficit. Additionally, depreciation charges of TZS 2.91 billion remained a significant cost driver. The company's liquidity position weakened, as reflected in a net cash outflow from operating activities of TZS (504.89) million, while its cash and cash equivalents decreased to TZS 3.22 million from TZS 137.33 million in the previous year.

Despite these challenges, TBPL continues to focus on cost optimization, revenue diversification, and strategic resource mobilization, including advances from the parent company (TZS 89.79 million) and government subvention (TZS 280.98 million), which provided crucial financial support. Moving forward, the company aims to improve financial sustainability through enhanced operational efficiency, market expansion, and investment in innovative biotech solutions.

2. KMTC manufacturing Limited

During the Financial Year 2023/24, KMTC Manufacturing Limited reported a net loss before tax of TZS (618.01) million, reflecting the initial operational challenges faced by the newly established company. Total revenue for the year amounted to TZS 117.27 million, derived from product sales, while cost of goods sold stood at TZS 121.99 million, resulting in a gross loss of TZS (4.72) million. Additional production costs of TZS 165.87 million further impacted profitability, leading to an overall gross loss of TZS (170.59) million.

The company's operating expenses included personnel costs of TZS 95.23 million, administrative expenses of TZS 300.11 million, and other expenses totalling TZS 20 million. Depreciation on property, plant, and equipment (PPE) was a major expense item, amounting to TZS 325.90 million. The company recognized a deferred tax asset of TZS 293.87 million, which reduced the overall tax burden.

In terms of cash flow, KMTC recorded a net cash outflow from operating activities of TZS (1.39) billion, primarily due to payments to suppliers and employees. Investment in property, plant, and equipment (PPE) amounted to TZS 7.86 billion, contributing to a net cash outflow from investing activities of TZS (7.86) billion. However, capital injections totalling TZS 13.49 billion and project financing of TZS 1.21 billion helped offset these outflows, resulting in a net cash inflow from financing activities of TZS 9.31 billion.

At the end of the reporting period, cash and cash equivalents stood at TZS 64.19 million, reflecting the company's available liquidity. Moving forward, KMTC aims to enhance production efficiency, expand market outreach, and optimize resource utilization to drive revenue growth and improve financial sustainability.

2.7 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.

KEY PERFORMANCE RATIO

	KEY PERFORMANCE RATIO						
	BENCHMARK			NDC GROUP		NDC COMPANY	
	Strong	Stable	Weak	30.06.2024	30.06.2023	30.06.2024	30.06.2023
				TZS	TZS	TZS	TZS
Liquidity Ratios							
Current Ratio	>2.00	1.00-2.00	<1.00	1.49	1.46	1.86	1.82
Acid Test Ratio	>2.00	1.00-2.00	<1.00	1.22	1.19	1.54	1.50
Working Capital	+ve		-ve	15,760,234,474	14,869,422,248	23,511,250,108	22,712,104,787
Profitability Ratio							
Return on Assets	>12%	3%-12%	<3%	-1%	10%	0.47%	0.23%
return on Equity	>25%	10%-25%	<10%	-1%	-3%	0.41%	0.21%
Return on Sales	>5%	1%-5%	<1%	-234%	2418%	5.43%	1.52%
Efficiency Ratios							
Collection Period (Days)	<180Days	180Days-360Days	360<	339	152	326	141
Assets to Income	>80%	80%-65%	65%>	14.91	8.75	15.12	8.44
Payable to Sales	<0.25	0.25-0.5	>0.5	0.82	0.46	0.56	0.32
Sales to Net Working Capital	>50%	20%-50%	<20%	0.08	0.07	0.02	0.01

2.8 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 oversees the overall risk management.

2.9 SOLVENCY

National Development Corporation has continued to strengthen revenue sources and increase investment outreach to ensure the corporation sustain itself towards development of the Nation, Through resource mobilization strategy and Corporate Strategic and NDC has engaged herself in Joint Venture arrangements in running different projects including mining project industrial park and Manufacturing business also NDC through Government subsidies has continued to develop and monitor Government strategic project, Government involvement is crucial in project sustainability and ensured projects requisite are in place, Funds from the Government are utilised for infrastructure development, conducting pre-feasibility and feasibility studies, negotiate with a strategic partner to establish a project implementation strategy.

2.10 RESOURCES

The major resource of the National Development Corporation (NDC) lies in its strategic partnerships and government support, which enable it to drive economic development initiatives. NDC has subsidiary companies and associate companies which forms a backbone of continued improved performance over the year, while government subsidies play a role, these are NDC intends to completely develop and finance herself from own revenue sources and making external financing and collaboration through Joint Ventures and Public-Private Partnerships (PPP) crucial for the Corporation's success. These partnerships allow NDC to leverage private sector expertise and resources, particularly in infrastructure and economic projects, to ensure sustainable development and generate returns for both the country and investors.

2.11 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.

2.12 RELATIONSHIPS WITH STAKEHOLDERS

The National Development Corporation (NDC) maintains a smooth and well-coordinated relationship with its key stakeholders through transparent communication, regulatory compliance, and strategic collaboration. As a government-owned entity, NDC works closely with the Controller and Auditor General (CAG) to ensure financial accountability and adherence to statutory requirements, while aligning with the Government of Tanzania's industrialization agenda. Compliance with Public Procurement Regulatory Authority (PPRA) guidelines guarantees fairness and efficiency in procurement processes. Our partnerships with Tancoal Energy, ETC Cargo, SGS, and GF Truck ensure seamless supply chain operations, quality control, and logistics efficiency. Additionally, strong relationships with financial institutions such as BOA Bank, CRDB Bank, and NMB Bank facilitate access to funding, investment support, and project financing. By fostering regular engagements, risk mitigation strategies, and performance monitoring, NDC ensures that all stakeholder interactions contribute to sustainable economic development and industrial growth.

2.13 FINANCIAL POSITION, FINANCIAL PERFORMANCE & CASH FLOWS

During the financial year ended 30 June 2024, the Group reported total assets of TZS 234.56 billion, primarily driven by significant investments in property, plant, and equipment (PPE) of TZS 107.02 billion and investment properties of TZS 79.14 billion. Total equity amounted to TZS 201.08 billion, supported by capital funds of TZS 176.98 billion, while retained earnings reflected a deficit of TZS (28.04) billion. The Group's total liabilities were TZS 33.48 billion, largely made up of current liabilities amounting to TZS 31.95 billion.

For the Corporation, total assets stood at TZS 223.13 billion, with Property Plant and Equipment valued at TZS 52.90 billion and investment properties also at TZS 79.14 billion. Total equity was reported at TZS 194.21 billion, underpinned by strong capital contributions and retained earnings of TZS 6.46 billion, indicating a solid financial base.

From a cash flow perspective, the Group recorded a net cash outflow from operating activities of TZS (10.65) billion, primarily driven by payments to suppliers and employees exceeding customer receipts, and increased working capital movements. Investing activities resulted in an additional cash outflow of TZS (655.00) million, largely attributed to asset purchases, net of disposals. On the other hand, financing activities, particularly government subventions and borrowings, contributed a net inflow of TZS 1.31 billion. As a result, the Group's cash and cash equivalents declined to TZS 5.14 billion by year-end.

The Corporation experienced a net cash outflow from operations of TZS (9.52) billion, and an investing outflow of TZS (414.26) million, mainly related to PPE acquisition. Through financing activities, a net inflow of TZS 1.31 billion was realized, helping to cushion the impact on liquidity. The Corporation closed the year with cash and bank balances of TZS 5.07 billion.

Looking ahead, both the Group and the Corporation are committed to enhancing financial resilience through cost rationalization, liquidity optimization, and strategic capital investment. While the Group remains focused on recovering from accumulated losses and improving its retained earnings position, the Corporation continues to demonstrate greater financial stability, supported by a positive profit after tax of TZS 801.75 million and a robust equity base. These strategic efforts are expected to underpin long-term industrial growth, improved stakeholder value, and alignment with national development objectives.

2.14 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 healing. 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 healing.

2.15 MANAGEMENT AND EMPLOYEES' RELATIONSHIP

Throughout the year ending 30 June 2024, the relationship between employees and management remained strong, with no unresolved complaints reported by employees. A positive and cooperative relationship also continues between Management and the employees' corporation. The Corporation upholds its commitment to being an equal opportunity employer, providing fair access to employment opportunities and ensuring that the most qualified individuals are appointed to positions without discrimination based on gender, marital status, ethnicity, religion, or disability.

2.15.1 Training Facilities

In its annual budget for the year ending June 30, 2024, the Corporation allocated TZS 661,000,000 for employee training aimed at enhancing technical skills and increasing overall effectiveness. Ongoing training programs have been developed to ensure that employees receive adequate training at all levels. Each year, all employees are provided with opportunities for training to upgrade their skills and support their professional development.

2.15.2 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.

2.15.3 Financial Assistance to Staff

This is accessible to all employees based on the merit of each case as evaluated by management and the Corporation's liquidity status. Nonetheless, employees are advised to seek loans or advances from Banks and the NDC Savings and Credit Society Limited, Corporation facilitates availability of these arrangements for each employee.

2.15.4 Persons with Disabilities

Job applications from individuals with disabilities are always considered, considering the skills of each applicant. If an employee becomes disabled, all efforts are focused on maintaining their employment with the Corporation, along with providing necessary training. The Corporation's policy ensures that training, career development, and promotion opportunities for disabled individuals are, to the greatest extent feasible, the same as those available to other employees.

2.15.5 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.

2.15.6 Gender Policy

The Corporation's employment policy ensures equal opportunities for all genders, striving to maintain gender balance while considering technical skills and experience.

2.15.7 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.

2.15.8 Entity operating Model

The NDC operates as a state-owned entity mandated to drive industrial and economic development through strategic investments, public-private partnerships (PPPs), and the management of national priority projects. The Corporation focuses on key sectors such as manufacturing, mining, agriculture, energy, and infrastructure, aligning its operations with Tanzania's industrialization policies and Vision 2025. NDC mobilizes resources through government funding, development finance institutions, and private sector investments while facilitating industrial growth by establishing special economic zones (SEZs), industrial parks, and local enterprise linkages. Revenue is primarily generated through equity investments, industrial park leasing, licensing, and royalties, complemented by government grants. The Corporation adheres to TFRS 1 - First-time Adoption of Financial Reporting Standards, ensuring compliance with financial reporting frameworks, risk management, and governance principles. Its financial statements incorporate fair value measurement of strategic investments, impairment assessments for industrial projects, and revenue recognition from development initiatives, reflecting its commitment to transparency and long-term economic sustainability.

2.15.9 Liquidity

The NDC actively manages its liquidity risk to ensure the timely settlement of financial obligations while maintaining financial stability. The Corporation employs a liquidity management framework that includes cash flow forecasting, cost optimization, and diversified funding sources such as government allocations, development finance, and project-based funding. As of 30 June 2024, cash and cash equivalents amounted to TZS 5,250,424,311, ensuring short-term liquidity to support operational expenditures and strategic investments. To mitigate liquidity risk, NDC maintains contingency reserves, negotiates favourable credit terms with suppliers, and explores alternative financing mechanisms, such as structured project financing. The Corporation is committed to financial prudence and long-term liquidity planning, ensuring alignment with national development objectives and compliance with Tanzania reporting regulations through transparent reporting on cash flow management and funding strategies.

2.16 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.

2.17 POLITICAL AND CHARITABLE DONATIONS

The Corporation made charitable donations totalling TZS 19,750,000.00 to support youth and women empowerment programs, as well as to aid in the restoration of services in areas of Manyara affected by heavy rainfall.

2.18 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).

2.19 CORPORATE SOCIAL RESPONSIBILITY

The Corporation is committed to upholding strong corporate social responsibility (CSR) practices, recognizing the importance of fostering positive relationships with the communities in which it operates. NDC is involved in Dar es Salaam at TAMCO Industrial Park, Arusha in Engaruka for Soda Ash Project, Njombe and Ruvuma Coal project and Morogoro and Tanga in rubber plantation, NDC actively engage with and support these communities, tailoring our CSR efforts to reflect the specific nature of our operations in each location. As part of our commitment, we prioritize hiring labour from the local communities where we operate, ensuring that the benefits of our presence are shared directly with those who live and work nearby. This approach not only strengthens our community ties but also contributes to the sustainable development of the areas in which we do business.

2.20 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 situation 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.

2.21 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 2024.

The auditors' responsibility includes considering whether there is a material inconsistency between the other information presented alongside the financial statements and the financial statements themselves. Additionally, they must assess whether there is a material inconsistency between this other information and the auditor's knowledge obtained during the audit process. M/S Mhasibu Consultancy, as the appointed auditor, is required to perform their evaluation with diligence and professionalism, ensuring that any discrepancies or inconsistencies are thoroughly investigated and addressed. This assessment is crucial for providing stakeholders with assurance that all information, both within and accompanying the financial statements, presents a true and fair view of the National Development Corporation's financial position and operations in accordance with the auditing standards set by the National Board of Accountants and Auditors (NBAA) of Tanzania.

ON BEHALF OF NATIONAL DEVELOPMENT CORPORATION

....	....
Dr. Hashil T. Abdallah **Permanent Secretary** **Ministry of Industry & Trade**	**Dr. Nicolaus H. Shombe** **Managing Director**

28/03/2025
....
Date

3.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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. Hashil T. Abdallah
Permanent Secretary
Ministry of Industry & Trade

....
Dr. Nicolaus H. Shombe
Managing Director

28/03/2025
....
Date

NATIONAL DEVELOPMENT CORPORATION

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 **Shafii Rajabu Sigera** being the Chief Accountant of National Development Corporation hereby acknowledge my responsibility of ensuring that the consolidated financial statements for the year ended 30 June 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus, confirm that the 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: Shafii Rajabu Sigera

Position: Chief Accountant

NBAA Membership No. ACPA 4233

Date: 28/03/2025

5.0 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS 30 JUNE 2024

	Note	Group 30.06.2024 TZS	Group 30.06.2023 TZS Restated	Corporation 30.06.2024 TZS	Corporation 30.06.2023 TZS Restated
ASSETS EMPLOYED					
NON-CURRENT ASSETS					
Property and Equipment	3a-3b	107,015,327,437	111,382,117,969	52,903,270,771	61,674,662,617
Investment Properties	4	79,135,096,562	79,135,096,562	79,135,096,562	79,135,096,562
Investment in Subsidiaries Companies	5	-	-	37,479,336,130	25,000,099,148
Investment in Associated Companies	6	-	-	2,714,000,000	2,714,000,000
Investments in Projects	7	703,831,884	703,831,884	-	-
		186,854,255,883	191,221,046,415	172,231,703,463	168,523,858,327
CURRENT ASSETS					
Inventory	8	8,627,033,326	8,692,205,713	7,452,581,532	7,908,177,830
Tax Asset	35	291,159,985			
Trade Receivables and Other Receivables	9	14,837,529,535	11,585,098,309	19,558,607,672	16,078,578,679
Financial Assets (Net Credit Loss Allowance)	10	18,816,661,603	18,921,346,997	18,816,661,603	18,921,346,997
Cash and Bank Balances	11	5,137,408,786	7,765,751,971	5,071,217,985	7,631,218,633
		47,709,793,235	46,964,402,990	50,899,068,792	50,539,322,139
TOTAL ASSETS		234,564,049,118	238,185,449,405	223,130,772,255	219,063,180,466
EQUITY, LIABILITIES AND NON- CONTROLLING INTEREST					
Capital Funds	12	176,983,979,502	176,983,979,502	176,983,979,502	176,983,979,502
Revaluation Surplus	24	51,714,500,919	51,714,500,919	10,760,264,427	10,760,264,427
Other Reserves	34	12,000,000	12,000,000	12,000,000	12,000,000
Retained Earnings		(28,037,648,065)	(24,617,805,971)	6,456,158,920	1,949,168,523
		200,672,832,356	204,092,674,450	194,212,402,849	189,705,412,452
NON-CONTROLLING INTERESTS		411,107,338	467,243,551		
TOTAL EQUITY		201,083,939,694	204,559,918,001	194,212,402,849	189,705,412,452
NON-CURRENT LIABILITIES					
Other Financial liabilities	15	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					
Trade and Other Payables	16	12,899,184,189	12,604,669,780	8,337,444,171	8,336,906,390
Deferred Grants	13	5,977,593,798	7,723,886,439	5,977,593,798	7,723,886,439
Current Maturity of Long-Term Loan	14	13,072,780,774	11,766,424,522	13,072,780,774	11,766,424,522
Total Current Liabilities		31,949,558,761	32,094,980,741	27,387,818,743	27,827,217,351
TOTAL LIABILITIES		33,480,109,424	33,625,531,404	28,918,369,406	29,357,768,014
TOTAL EQUITYAND LIABILITY		234,564,049,118	238,185,449,405	223,130,772,255	219,063,180,466

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.... 28/03/2025 ....

Dr. Hashil T. Abdallah
Permanent Secretary - Ministry of Industry & Trade

Date

Dr. Nicolaus H. Shombe
Managing Director

NATIONAL DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

Corporation	Note	Group			
		30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Revenue			Restated		
Sales	25	1,282,606,401	1,007,038,115	355,866,901	260,278,000
Cost of Goods Sold	26	853,528,375	742,737,402	230,891,187	235,254,877
Gross Profit		**429,078,026**	**264,300,713**	**124,975,714**	**25,023,123**
Investment Income	17	11,450,421,757	24,129,208,027	11,156,237,167	23,154,242,767
Other Income	18	3,852,165,812	3,256,752,052	3,479,135,801	3,210,766,756
		15,302,587,569	**27,385,960,079**	**14,635,372,968**	**26,365,009,523**
Total Revenue		**15,731,665,595**	**27,650,260,792**	**14,760,348,681**	**26,390,032,646**
Expenses					
Personnel Expenses	19	6,140,233,336	5,940,149,430	4,632,930,982	4,630,883,818
Administrative Expenses	20	2,095,835,883	1,932,814,903	1,184,230,527	1,232,159,654
Other Expenses	21	1,069,048,928	729,159,991	702,119,223	666,474,991
Project Development Costs	22	3,696,590,186	16,421,257,328	4,813,356,242	16,421,257,328
Depreciation and Amortisation expenses	3a&3b	4,561,350,446	5,434,787,138	1,084,080,756	1,434,177,092
Finance Expenses	23	1,345,658,710	1,339,387,187	1,307,991,012	1,337,256,130
Net Foreign Exchange Loss	24	(126,043,744)	(12,695,192)	-	(2,876,391)
Revaluation Loss		-	1,359,851,992		
Total		**18,782,673,745**	**33,144,712,777**	**13,724,708,742**	**25,719,332,622**
Profit/(Loss) before tax		**(3,051,008,150)**	**(5,494,451,985)**	**1,035,639,940**	**670,700,024**
Income Tax		(52,401,083)	269,984,637	233,893,634	269,984,637
Profit/(Loss) after tax		**(2,998,607,067)**	**(5,764,436,622)**	**801,746,306**	**400,715,387**
Other Comprehensive Income					
Revaluation Gain		-	30,114,175,491		
Other Comprehensive Income for the year		-	**30,114,175,491**	-	-
Total Comprehensive Income		**(2,998,607,067)**	**24,349,738,869**	**801,746,306**	**400,715,387**

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Abdallah

....
Dr. Hashil T. Abdallah
Permanent Secretary - Ministry of Industry & Trade

28/03/2025
....
Date

....
Dr. Nicolaus H. Shombe
Managing Director

NATIONAL DEVELOPMENT CORPORATION

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

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 01.07.2022	144,013,229,962	21,600,325,427	12,000,000	(85,299,038,399)	80,326,516,990	532,589,610	80,859,106,600
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 Payables (Labiofam Payable)				(3,982,691,209)	(3,982,691,209)	(1,525,776)	(3,984,216,985)
Trade Receivable (Labiofam Receivable)				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	(15,597,561,006)	173,427,994,383	531,063,834	173,959,058,217
Asset Transfer to NDC from Government	9,570,749,540				9,570,749,540		9,570,749,540
Receivables and Payables				(3,325,758,493)	(3,325,758,493)	6,129,867	(3,319,628,626)
Other Comprehensive Income		30,114,175,492			30,114,175,492		30,114,175,492
Loss of the Year	-	-	-	(5,694,486,472)	(5,694,486,472)	(69,950,150)	(5,764,436,622)
Balance as at 30.06.2023	176,983,979,502	51,714,500,919	12,000,000	(24,617,805,971)	204,092,674,450	467,243,551	204,559,918,001
Balance as at 01.07.2023	176,983,979,502	51,714,500,919	12,000,000	(24,617,805,971)	204,092,674,450	467,243,551	204,559,918,001
Prior Year Adjustments	-				-	-	-
Balance Re-stated	176,983,979,502	51,714,500,919	12,000,000	(24,617,805,971)	204,092,674,450	467,243,551	204,559,918,001
Adjustments (Assets/KMTC)				(473,188,627)	(473,188,627)	(4,182,615)	(477,371,242)
Loss for the Year				(2,946,653,467)	(2,946,653,467)	(51,953,598)	(2,998,607,065)
Balance as at 30.06.2024	176,983,979,502	51,714,500,919	12,000,000	(28,037,648,065)	200,672,832,356	411,107,338	201,083,939,694

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....	28/03/2025	....
Dr. Hashil T. Abdallah	Date	Dr. Nicolaus H. Shombe
Permanent Secretary - Ministry of Industry & Trade		Managing Director

NATIONAL DEVELOPMENT CORPORATION

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

CORPORATION	Capital Funds	Revaluation Reserves	Other reserves	Retained Earnings	Total
	TZS	TZS	TZS	TZS	TZS
Balance as at 1 July, 2022	142,108,939,265	10,760,264,427	12,000,000	(52,467,167,595)	100,414,036,097
Prior Year Adjustments					-
Opening Balance Adjustments	1,904,290,697				1,904,290,697
Loan Recapitalized	23,400,000,000			59,134,163,643	82,534,163,643
Labiofam Payable				(3,814,289,094)	(3,814,289,094)
Labiofam Receivable				4,529,353,378	4,529,353,378
Loss for the Year				(1,900,991,866)	(1,900,991,866)
Balance Re-stated 1 July 2022	167,413,229,962	10,760,264,427	12,000,000	5,481,068,467	183,666,562,855
Prior Year Adjustments					
KMTC Adjustment				(3,932,615,331)	(3,932,615,331)
Profit for the Year				400,715,388	400,715,388
Asset Transfer to NDC from Government	9,570,749,540				9,570,749,540
Balance as at 30 June 2023	176,983,979,502	10,760,264,427	12,000,000	1,949,168,523	189,705,412,452
Balance as at 1 July, 2023	176,983,979,502	10,760,264,427	12,000,000	1,949,168,523	189,705,412,452
Changes in PPE				3,705,244,091	3,705,244,091
Profit for the Year				801,746,306	801,746,306
Balance as at 30 June 2024	176,983,979,502	10,760,264,427	12,000,000	6,456,158,920	194,212,402,849

NOTES FROM PAGE 34 TO PAGE 71 FORM PART OF THESE FINANCIAL STATEMENTS

....
Dr. Hashil T. Abdallah
Permanent Secretary - Ministry of Industry & Trade

25/03/2025
....
Date

....
Dr. Nicolaus H. Shombe
Managing Director

NATIONAL DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	Group		Corporation	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		TZS	TZS	TZS	TZS
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	33(b)	8,144,740,845	17,473,705,042	19,875,863,526	25,579,600,943
Payments to suppliers and employees	33(C)	(13,441,614,845)	(35,724,217,178)	(25,343,555,139)	(43,017,563,856)
Net Cash flow generated from operations		**(5,296,874,000)**	**(18,250,512,136)**	**(5,467,691,613)**	**(17,437,962,913)**
Net cash generated by operating activities		**(5,296,874,000)**	**(18,250,512,136)**	**(5,467,691,613)**	**(17,437,962,913)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	(33(d)	(654,995,928)	(206,124,700)	(414,255,812)	(197,174,700)
Net Cash Used in Investing Activities		**(654,995,928)**	**(206,124,700)**	**(414,255,812)**	**(197,174,700)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Government Subvention	13	3,265,430,000	20,510,613,290	3,265,430,000	19,552,978,476
Net cash generated by (used in) financing activities		**3,265,430,000**	**20,510,613,290**	**3,265,430,000**	**19,552,978,476**
NET DECREASE IN CASH AND CASH EQUIVALENT		(2,686,439,928)	2,053,976,454	(2,616,517,425)	1,917,840,863
Cash and Cash Equivalents at the Beginning of the Year		7,936,864,238	5,882,887,784	7,799,526,404	5,881,685,541
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**5,250,424,311**	**7,936,864,238**	**5,183,008,979**	**7,799,526,404**

NOTES FROM PAGE 34 TO PAGE 71 FORM PART OF THESE FINANCIAL STATEMENTS

Abdallah
....
Dr. Hashil T. Abdallah
Permanent Secretary - Ministry of Industry & Trade

28/03/2025
....
Date

....
Dr. Nicolaus H. Shombe
Managing Director

NOTES TO THE FINANCIAL STATEMENTS

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 Statements

The financial statements of both the Group and NDC Corporation have been prepared on a going concern basis, reflecting the expectation of continued operations in the foreseeable future. While the Group has incurred a net loss of TZS (2.92) billion for the year ended 30 June 2024, this does not materially impact its ability to meet obligations as they fall due. The entity maintains substantial assets, including investment properties and projects that provide long-term economic benefits. Additionally, the Group benefits from government backing, ensuring financial stability through project development funds and other financing mechanisms. The diversified portfolio of investments, ongoing strategic initiatives, and effective cost management strategies further reinforce the Group's sustainability.

Similarly, NDC Corporation remains financially viable due to strong government support and its role in driving national industrialization efforts. With capital funds of TZS 176.98 billion and a positive retained earnings position, the Corporation has adequate financial resources to continue its operations. The government's commitment to providing financial support, coupled with a structured investment strategy, enables NDC to pursue its mandate effectively. Future plans to enhance revenue streams, optimize operational efficiency, and leverage public-private partnerships will further strengthen its financial position, ensuring its ability to fulfill obligations and sustain growth in the long term.

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 1st July 2023. Some of these include:

1. IFRS 17 Insurance Contracts: Effective for annual reporting periods beginning on or after 1 January 2023, IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts.

2. Amendments to IAS 1 Presentation of Financial Statements: These amendments, effective for annual periods beginning on or after 1 January 2023, clarify the criteria for classifying liabilities as current or non-current.
3. Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Effective for annual periods beginning on or after 1 January 2023, these amendments introduce a new definition of accounting estimates
4. Amendments to IAS 12 Income Taxes: Effective for annual periods beginning on or after 1 January 2023, these amendments clarify how entities should account for deferred tax on transactions that result in the recognition of both an asset and a liability, such as leases and decommissioning obligations.
5. Amendments to IFRS 16 Leases: Effective for annual periods beginning on or after 1 January 2024, these amendments clarify the accounting for sale and leaseback transactions.
6. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures: Issued in June 2023, these standards set out requirements for entities to disclose information about sustainability-related risks and opportunities, including those related to climate change.

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

The accounting policy adopted for consolidated financial statements is in accordance with International Financial Reporting Standards (IFRS). This policy requires an entity (parent) that controls one or more other entities (subsidiaries) to present consolidated financial statements. It mandates the parent to consolidate its financial statements that is, to combine the financial statements of the parent and its subsidiaries into one set of financial statements. The consolidation process involves adding together like items of assets, liabilities, equity, income, expenses, and cash flows. It also involves eliminating intra-group balances and transactions, including any unrealized gains or losses on transactions between group entities. The consolidated financial statements present financial information about the group as a single economic entity. The aim is to provide a comprehensive and faithful representation of the group's financial performance and position.

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 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.

The Government of Tanzania through Public Finance Management of Public Assets has issued a regulations and Guidelines on how depreciation and useful life of an assets is calculated, all assets are required to be depreciated under regulation 9 of Public Assets Management Act, Depreciation is there for calculated on a straight-line basis over the estimated useful life of the asset of each assets class. 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 Kihuhwi 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 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 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.

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.

1.3.17 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.

1.3.18 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.

1.3.19 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 because 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.

1.3.20 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 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.

3. (a) GROUP PROPERTY, PLANT AND EQUIPMENT

GROUP	LAND	BUILDINGS AND INSTALLA-TIONS	MOTOR VEHICLES	OFFICE FURNITURE	PLANT AND MACHINERY	COMPUTER	OFFICE EQUIPMENT	ELEVATOR	BIOLOGICAL ASSETS	TOTAL
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COST/VALUATION										
Balance as at 01.07.2023	33,164,260,840	31,271,485,879	1,010,585,222	513,483,511	58,102,127,290	369,717,513	809,705,719	97,186,038	2,503,000,000	127,841,552,012
Adjustment	-	-	-	-	(437,170,436)	582,800	(5,067,010)	-		(441,654,646)
Balance Restated	33,164,260,840	31,271,485,879	1,010,585,222	513,483,511	57,664,956,854	370,300,313	804,638,709	97,186,038	2,503,000,000	127,399,897,366
Reclassification	-	-	-	-	97,186,038	55,540,000	(55,540,000)	(97,186,038)	-	-
Disposal	-	-	(23,500,000)	(85,029,894)	-	(43,995,702)	(57,247,224)	-	-	(209,772,820)
Additions	-	-	318,774,880	43,530,200	240,740,117	46,839,131	7,811,600	-	-	657,695,928
Balance at 30st June 2024	33,164,260,840	31,271,485,879	1,305,860,102	471,983,817	58,002,883,009	428,683,742	699,663,085	-	2,503,000,000	127,847,820,474
DEPRECIATION										
Balance at 01.07.2023	-	2,841,483,995	391,715,192	258,385,786	5,394,314,864	208,513,795	235,210,491	62,941,169	508,421,875	9,900,987,167
Adjustment Useful Life	-	5,105,861,496	(139,429,237)	(47,752,240)	(1,132,384,927)	(18,634,454)	(62,416,863)	-	-	3,705,243,775
Adjustment on FAR	-	1,692,606,961	53,731,272	44,756,997	939,109,571	34,154,618	43,086,622	(62,941,169)	108,282,500	2,852,787,372
Balance	-	9,639,952,452	306,017,227	255,390,543	5,201,039,508	224,033,959	215,880,250	-	616,704,375	16,459,018,314
Disposal	-	-	(21,156,438)	(76,526,905)	-	(38,654,193)	(51,538,186)	-	-	(187,875,722)
Balance at 30st June 2024	-	9,639,952,452	284,860,789	178,863,638	5,201,039,508	185,379,766	164,342,064	-	616,704,375	16,271,142,592
Depreciation	-	501,749,485	102,414,380	53,963,553	3,693,988,529	55,364,621	75,651,127	-	78,218,750	4,561,350,446
Balance at 30st June 2024	-	10,141,701,937	387,275,169	232,827,191	8,895,028,037	240,744,387	239,993,191	-	694,923,125	20,832,493,038
CARRYING AMOUNT										
As at 30.06.2024	33,164,260,840	21,129,783,942	918,584,933	239,156,626	49,107,854,972	187,939,355	459,669,894	-	1,808,076,875	107,015,327,437
As at 30.06.2023	33,164,260,840	25,182,759,943	455,618,532	192,492,212	50,001,427,580	54,875,521	507,725,157	34,244,755	1,788,713,429	111,382,117,969

3. (b) NDC PROPERTY PLANT AND EQUIPMENT

Corporation	LAND	BUILDINGS AND INSTALLA-TIONS	MOTOR VEHICLES	OFFICE FURNITURE	PLANT AND MACHINERY	COMPUTER	OFFICE EQUIPMENT	ELEVATOR	BIOLOGICAL ASSETS	TOTAL
	0%	2%	25%	15%	10%	33%	10%	5%	3%	
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COST/VALUATION										
Balance as at 01.07.2023	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
Adjustment					(437,170,436)	582,800	(5,067,010)	-		(441,654,646)
Balance Re-stated	33,164,260,840	26,740,285,129	939,935,222	394,783,510	12,833,677,032	370,300,313	479,745,409	97,186,038	2,503,000,000	77,523,173,493
Transfer		(6,200,489,000)	(90,200,000)	(10,555,000)	(5,510,786,500)	(1,801,800)	450,000			(11,813,382,300)
Reclassification					97,186,038			(97,186,038)		-
Disposal	-	-	(23,500,000)	(85,029,894)	-	(43,995,702)	(57,247,224)			(209,772,820)
Addition			318,774,880	43,530,200	-	46,839,131	7,811,600			416,955,811
Balance at 30th June 2024	33,164,260,840	20,539,796,129	1,145,010,102	342,728,816	7,420,076,570	371,341,942	430,759,785	-	2,503,000,000	65,916,974,184
										-
DEPRECIATION										-
Balance at 01.07.2023	-	2,841,483,673	391,715,192	257,901,029	5,218,466,423	179,001,594	264,722,692	62,941,169	508,421,875	9,724,653,647
Adjustment Useful Life	-	5,105,861,496	(139,429,237)	(47,752,240)	(1,132,384,927)	(18,634,454)	(62,416,863)	-	-	3,705,243,775
Adjustment on FAR	-	1,692,606,961	53,731,272	44,756,997	883,649,070	34,154,618	43,086,622	-	108,282,500	2,860,268,040
Balance	-	9,639,952,130	306,017,227	254,905,786	4,969,730,566	194,521,758	245,392,451	62,941,169	616,704,375	16,290,165,462
Transfer to KMTC		(1,120,111,348)	(58,965,242)	(4,957,521)	(2,986,923,043)	(1,519,271)	(190,658)			(4,172,667,083)
Reclassification					62,941,169			(62,941,169)	-	-
Disposal			(21,156,438)	(76,526,905)		(38,654,193)	(51,538,186)			(187,875,722)
Balance Re-stated	-	8,519,840,782	225,895,547	173,421,360	2,045,748,692	154,348,294	193,663,607	-	616,704,375	11,929,622,657
Total Depr		284,272,543	88,160,595	42,079,236	494,211,714	48,422,121	48,715,797		78,218,750	1,084,080,756
Accumulated Depr	-	8,804,113,325	314,056,142	215,500,596	2,539,960,406	202,770,415	242,379,404	-	694,923,125	13,013,703,413
CARRYING AMOUNT										-
As at 30.06.2024	33,164,260,840	11,735,682,804	830,953,960	127,228,220	4,880,116,164	168,571,527	188,380,381	-	1,808,076,875	52,903,270,771
As at 30.06.2023	33,164,260,840	17,100,332,999	633,917,996	139,877,724	8,301,116,841	175,195,755	239,419,968	34,244,869	1,886,295,625	61,674,662,617

4. INVESTMENT PROPERTIES

	GROUP		COMPANY NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Balance at the start	79,135,096,562	79,053,518,638	79,135,096,562	79,053,518,638
Renovations	-	81,577,924		81,577,924
Balance at Close	**79,135,096,562**	**79,135,096,562**	**79,135,096,562**	**79,135,096,562**

ITEMS	RENTAL BUILDINGS TZS	LAND TZS	TOTAL TZS
COST/VALUATION			
Balance as at 01.07.2022	**32,797,518,638**	**46,256,000,000**	**79,053,518,638**
Revaluation Increase			
Transfers			
Renovation	81,577,924		
Cost/Valuation as at 30.06.2023	**32,879,096,562**	**46,256,000,000**	**79,053,518,638**
Balance as at 01.07.2023	**32,879,096,562**	**46,256,000,000**	**79,135,096,562**
Revaluation Increase			-
Transfers			-
Renovation			-
Valuation as at 30.06.2024	**32,879,096,562**	**46,256,000,000**	**79,135,096,562**

5. INVESTMENT IN SUBSIDIARIES

	GROUP		COMPANY NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 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
KMTC Manufacturing Limited			12,479,236,922	
Loss in Value of Investment			(969,086,000)	(969,086,000)
			37,479,336,070	**25,000,099,148**

During the financial year ended 30 June 2024, the company recognized an impairment loss of TZS 969,086,000 on its investment portfolio due to a significant decrease in the recoverable amounts of certain investments, primarily driven by sustained adverse market conditions and performance issues. Notably, Lake Natron Resources Ltd was established specifically for Soda Ash around lake Natron this project has moved to Engaruka parent company planned to liquidate the company, NDC also plans to withdraw from JVA agreement with East Africa power pool while Matinje Gold company is not operational and plans are underway to wind up the company. This impairment charge aligns with IAS 36 "Impairment of Assets" and ensures our financial statements accurately reflect the fair value of these investments under prevailing market conditions.

5. INVESTMENT IN SUBSIDIARIES

a) Lake Natron Resources Limited
NDC owns 99% Share on Lake Natron Resources Ltd, 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
NDC owns 80% Shares on 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
NDC owns 60% Shares on Geo Wind Ltd. 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 NDC couldn't acquire funds for the project after. Currently, NDC is negotiating with East Africa Power Pool on exit mechanism pending the repayment of TZS 703 mil.

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.

e) KMTC Manufacturing Limited
KMTC Manufacturing Limited, a company dedicated to the production of industrial spare parts, was founded in December 2022. The company commenced its operations on 1st July 2023. The National Development Corporation (NDC) holds a significant stake in the company, owning 99% of its shares.

6. INVESTMENT IN ASSOCIATED COMPANIES

Name of the Company	% of Equity	30.06.2024 TZS	30.06.2023 TZS
Maganga Matitu Resources Co.	25	200,000,000	200,000,000
ETC Cargo Shares	25	2,500,000,000	2,500,000,000
Sparks Mining & Services	20	6,000,000	6,000,000
Tancoal Energy	30	300,000	300,000
TCIMRL	20	2,000,000	2,000,000
Global Packaging (T) Ltd	6	12,000,000	12,000,000
Loss in Investment Value		(6,300,000)	(6,300,000)
TOTAL		**2,714,000,000**	**2,714,000,000**

As of 30 June 2024, the company holds equity investments in several entities, where our ownership varies from 6% to 30%. Investments in Maganga Matitu Resources Co., ETC Cargo Shares, Sparks Mining & Services, Tancoal Energy, and TCIMRL, where the company holds between 20% and 30% equity, are classified as associates and are accounted for using the equity method as per IAS 28 "Investments in Associates and Joint Ventures." This method reflects our share of their profits or losses and any changes in their net assets from the date of acquisition.

Notably, despite holding only a 6% interest in Global Packaging (T) Ltd, the company exercises significant influence over its financial policies due to our involvement in key financial decision-making processes. Accordingly, this investment is also classified as an associate and accounted for under the equity method. This accounting treatment ensures that our financial statements reflect our true level of influence and participation in these entities.

The total carrying amount of our investments in these entities as recorded in the financial statements remained consistent at TZS 2,714,000,000 for both the years ended 30 June 2023 and 2024. During the fiscal year ended 30 June 2024, the company recognized an impairment loss of TZS 6,300,000, reflecting a decline in the fair value of certain investments, which is presented as 'Loss in Investment Value' in our financial statements. This loss highlights adjustments based on the assessments of future benefits from these investments as aligned with IFRS 9 "Financial Instruments" for loss recognition and measurement.

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)

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.

7. INVESTMENT IN PROJECTS

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

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Preliminary Costs	703,831,884	703,831,884	-	-
TOTAL	**703,831,884**	**703,831,884**	-	-

8. INVENTORIES

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Stationaries	16,371,879	14,521,602	9,676,440	7,824,163
Raw Materials	47,587,505	55,515,701		
Plough, disc and Harrow	1,411,910,000	1,415,470,000	1,411,910,000	1,415,470,000
Finished Goods	1,123,872,963	215,200,000	269,000,000	215,200,000
Fuel	80,625,000	-		
Laboratory	136,576,280	71,823,685		
KMTC Stock Value	-	457,262,339	-	457,262,339
Rubber Stock	14,640,214	600,533,790	14,640,213	43,605,000
Spare Parts	4,924,094,211	4,789,016,800	4,607,683,248	4,695,954,532
Cannibalized tractor	1,211,514,954	1,144,705,119	1,211,514,954	1,144,705,119
Provision for Obsolete Inventory	(340,159,680)	(71,843,323)	(71,843,323)	(71,843,323)
Total	**8,627,033,326**	**8,692,205,713**	**7,452,581,532**	**7,908,177,830**

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Trade Receivables	14,602,042,010	11,485,408,443	13,191,168,414	10,195,357,755
Other Receivables	2,091,505,255	1,881,013,781	7,645,389,189	7,193,124,914
Deposit	4,510,000	4,510,000	4,510,000	4,510,000
Staff Receivables	318,650,899	286,696,840	318,650,899	286,696,840
Short term Loan Receivable	14,878,613	14,878,613	14,878,613	14,878,613
	17,031,586,777	**13,672,507,677**	**21,174,597,115**	**17,694,568,122**
Less: Loss Allowance	(2,194,057,242)	(2,087,409,368)	(1,615,989,443)	(1,615,989,443)
	14,837,529,535	**11,585,098,309**	**19,558,607,672**	**16,078,578,679**

10. 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 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 2024:

Loan to Farmers-Financial Assets		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loan at Amortized Costs as at 30.06.2024	Gross Exposure	-	-	27,192,295,131	27,192,295,131
Impairment allowance as at 30.06.2024	Expected Credit Loss	-	-	8,375,633,528	8,375,633,528
Net Exposure as at 30.06.2024		-	-	**18,816,661,603**	**18,816,661,603**
Financial Assets		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loan at Amortized Costs as at 30.06.2023	Gross Exposure	-	-	27,296,980,525.00	27,296,980,525.00
Impairment allowance as at 30.06.2023	Expected Credit Loss	-	-	8,375,633,528.00	8,375,633,528.00
Net Exposure as at 30.06.2023		-	-	**18,921,346,997**	**18,921,346,997**

11. CASH AND CASH EQUIVALENT

	GROUP		COMPANY NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Cash at Bank	5,250,424,311	7,936,864,238	5,183,008,979	7,799,526,404
Cash on Hand	-	-		
Total	**5,250,424,311**	**7,936,864,238**	**5,183,008,979**	**7,799,526,404**
Less Loss Allowance	(113,015,525)	(171,112,267)	(111,790,994)	(168,307,771)
	5,137,408,786	**7,765,751,971**	**5,071,217,985**	**7,631,218,633**

12. CAPITAL FUND

	GROUP		COMPANY NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Opening Balance	176,983,979,502	176,983,979,502	176,983,979,502	176,983,979,502
Addition During the Year		-		
Balance as at 30.06.2024	**176,983,979,502**	**176,983,979,502**	**176,983,979,502**	**176,983,979,502**

13. DEFERRED GRANTS

	GROUP		COMPANY NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Opening Balance	7,723,886,439	5,881,194,531	7,723,886,439	5,881,194,531
Adjustments on Amortized Grants	-	0	-	-
Government Subvention	3,546,414,590	20,510,613,290	3,265,429,999	19,552,978,476
	11,270,301,029	**26,391,807,821**	**10,989,316,438**	**25,434,173,007**
		-		
Grants Amortized	(5,292,707,231)	(18,667,921,382)	(5,011,722,640)	(17,710,286,568)
	(5,292,707,231)	**(18,667,921,382)**	**(5,011,722,640)**	**(17,710,286,568)**
Balance at the Year End	**5,977,593,798**	**7,723,886,439**	**5,977,593,798**	**7,723,886,439**

14. LONG TERM LOAN NSSF

	GROUP		COMPANY NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Principal Long-Term Loan	3,879,000,000	3,879,000,000	3,879,000,000	3,879,000,000
Accrued interest and Penalty	9,193,780,774	7,887,424,522	9,193,780,774	7,887,424,522
TOTAL	**13,072,780,774**	**11,766,424,522**	**13,072,780,774**	**11,766,424,522**
Current Maturity of Long-Term Loan	13,072,780,774	11,766,424,522	13,072,780,774	11,766,424,522
TOTAL	**13,072,780,774**	**11,766,424,522**	**13,072,780,774**	**11,766,424,522**

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 three years with an interest rate of 13.5% per annum.

15. OTHER FINANCIAL LIABILITIES

	GROUP		CORPORATION	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZ	30.06.2023 TZ
Export Trading Company	1,530,550,663	1,530,550,663	1,530,550,663	1,530,550,663
	1,530,550,663	**1,530,550,663**	**1,530,550,663**	**1,530,550,663**

As at 30 June 2024, the Group and the Corporation reported other financial liabilities amounting to TZS 1,530,550,663, representing a loan advance provided to the National Development Corporation (NDC) by Export Processing Company - ETC Cargo Ltd in 2010 to support NDC's operating expenditures. The advance does not accrue interest and has no fixed repayment schedule. It continues to be classified as a non-current liability pending formal resolution or restructuring, and remains outstanding as part of historical obligations disclosed separately to ensure transparency in financial reporting.

16. TRADE AND OTHER PAYABLES

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Trade Payables	1,866,997,241	1,578,086,930	1,324,599,526	1,045,055,934
Other Payables	8,694,035,780	8,890,493,732	5,402,276,600	5,379,908,647
Other Payables and Accruals	1,923,989,976	2,066,598,330	928,090,438	1,229,464,261
	12,485,022,997	**12,535,178,992**	**7,654,966,564**	**7,654,428,842**

17. INVESTMENT INCOME

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Income Commercial Properties	2,695,936,135	2,202,833,994	2,695,936,135	2,202,833,994
Income Residential Properties	601,758,390	447,117,736	588,558,391	429,787,290
Government Subvention	5,292,707,232	18,667,921,382	5,011,722,641	17,710,286,568
Income From Tancoal	2,260,020,000	2,161,334,915	2,260,020,000	2,161,334,915
Income from ETC Cargo	600,000,000	650,000,000	600,000,000	650,000,000
	11,450,421,757	**24,129,208,027**	**11,156,237,167**	**23,154,242,767**

18. OTHER INCOME

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
OC Institutional Support	2,992,645,277	2,805,632,749	2,992,645,277	2,805,632,749
Interest Received	94,214	381,119,000	94,214	381,119,000
Miscellaneous Receipts	754,954,943	2,733,205	406,626,529	3,104,187
Proceeds from Biolarvicides Products	830,000	-	830,000	-
Income From Tractor Assembly Plant	22,423,005	20,910,820	22,423,005	20,910,820
Provision Gain	-	46,356,278		
Gain on Disposal`	21,897,099			
	3,792,844,538	3,256,752,052	3,422,619,025	3,210,766,756

19. PERSONEL EXPENSES

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Salary and Wages	3,951,926,600	3,698,927,405	2,865,629,762	2,727,281,195
House Allowance	140,250,000	168,766,483	140,250,000	168,766,483
Social Contribution PSPF/PPF	541,403,476	530,313,429	390,878,710	386,088,709
Annual Leave Passage	93,855,088	262,530,288	93,855,088	262,530,288
Medical Expenses	143,068,369	224,011,252	84,661,093	167,847,277
Payroll Levy	157,666,196	143,663,347	117,435,357	105,157,971
Retirement/Severance Benefits	67,270,885	60,573,758	63,270,885	58,573,758
Outfit Allowance	104,700,000	98,500,000	104,700,000	98,500,000
Staff Training	99,133,576	129,488,820	97,583,576	118,978,820
Transport Allowance	237,347,150	242,290,168	203,193,600	229,660,746
Overtime	59,537,950	230,082,565	58,424,950	206,811,695
Acting Allowance	53,377,200	61,420,176	53,377,200	61,420,176
Workers Compensation Funds	14,717,387	10,079,872	9,688,532	5,266,700
Work permit Charges	-	664,580		
Other Employees Benefits	14,429,000	34,000,000	-	34,000,000
Management fees	461,550,459	44,837,287	349,982,229	
TOTAL	6,140,233,336	5,940,149,430	4,632,930,982	4,630,883,818

20. ADMINISTRATIVE EXPENSES

	GROUP		COMPANY NDC	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS	TZS	TZS	TZS
Advertisement and Publicity	6,386,550	23,083,407	1,570,000	-
Bad Debt	54,057,033	-	-	-
Cleaning Expenses	28,176,642	44,470,500	13,842,642	26,619,500
Compensation/Eviction charges	812,881	-	812,881	-
Computer Accessories	3,310,000	3,659,000	3,310,000	3,659,000
Condolences & Burial Expenses	14,479,120	3,564,000	14,029,120	2,664,000
Courier and Postage	4,345,496	5,668,233	3,768,496	5,668,233
Electricity Expenses	160,001,843	139,608,439	42,465,692	49,527,245
Email and Website	60,446,980	59,012,323	60,446,980	59,012,323
Fuel for Production	53,291,500	47,434,500	-	-
Fuel Expenses	226,147,861	176,024,279	216,104,341	172,982,203
Generator Fuel Expenses	820,900	1,083,040	820,900	1,083,040
Generator Running Expenses	587,000	20,000	587,000	20,000
Health and Safety expenses	-	5,603,580	-	-
Insurance	18,304,263	-	18,304,261	-
ISO Certification Expenses	-	26,089,779	-	-
KTMC General Expenses	42,110,000	-	-	-
Land Rent and Rates	28,923,621	18,037,793	28,923,621	18,037,793
Library	15,827,973	3,770,000	15,827,973	3,770,000
Office Refreshment	130,134,700	127,846,550	80,515,100	79,867,050
Printing and Stationary	36,488,386	89,138,525	32,235,286	43,856,880
Repair and Maintenance Office Equipment	109,501,982	180,344,357	32,851,678	12,282,600
Repair and Maintenance Real Estate	159,989,074	40,025,870	11,520,300	40,025,870
Repair and Maintenance Generator	2,530,000	-	2,530,000	
Repair and Maintenance Motor Vehicle	5,807,680	39,818,841	234,000	39,818,841
Royalty fees	48,568,230	18,049,972		
Security Expenses	87,220,987	63,492,373	49,247,515	45,492,373
Raw Materials	41,089,196	87,662,973		
Staff Welfare Committee	28,348,544	46,242,400	-	6,155,000
Student Sundries	5,580,000	6,120,000	5,580,000	6,120,000
Telephones & Fax	55,173,232	52,372,293	48,725,670	43,485,000
Tender Board Expenses	139,005,407	51,769,000	101,879,000	47,419,000
Travel Expenses	359,850,787	305,519,587	252,211,732	288,465,747
Vehicle Running Expenses	85,772,746	50,905,695	79,368,225	49,175,695
Water and Sewage	32,400,769	33,101,005	16,173,614	18,004,491
Workers Council	15,019,500	4,174,000	15,019,500	-
Inventory Write Down Account	-	640,000		640,000
Responsibility Allowance	35,325,000	-	35,325,000	
Loss Allowance on Bank Balance		178,462,589		168,307,770
TOTAL	**2,095,835,883**	**1,932,814,903**	**1,184,230,527**	**1,232,159,654**

21. OTHER EXPENSES

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Audit Fees	80,181,818	84,000,000	70,181,818	54,000,000
Audit Related Expenses	198,059,430	112,471,583	193,459,430	88,621,583
Business Promotion and Publicity	97,799,938	107,889,702	97,799,938	107,889,702
Consultancy Fees	3,400,000	80,783,990	-	75,178,990
Directors Expenses	183,877,667	145,470,700	146,751,260	145,470,700
Directors Fees	-	18,000,000	-	18,000,000
Donation and Contribution	20,750,000	5,000,000	19,750,000	5,000,000
Entertainment	10,160,000	-	10,160,000	
General Expenses	3,005,000	-	-	
Legal and Professional Expenses	46,813,020	10,441,420	19,731,080	10,441,420
Licence Fees	7,468,500	930,000	6,668,500	930,000
Membership & Subscriptions	24,174,001	12,181,000	21,774,000	8,951,000
Nyanza Operating Expenses	5,554,700	600,000	5,554,700	600,000
Research and Development	20,475,000	115,758,300	20,475,000	115,758,300
Software Annual support	18,148,897	25,633,796	18,148,897	25,633,796
Trade Fair and Others	9,500,000	-	300,000	
Woman/May Day Expenses	16,571,300	9,999,500	16,571,300	9,999,500
Annual Plan and budget	25,882,600.00		25,882,600	
Budget Committee	18,910,700.00		18,910,700	
Contribution to Consolidated Fund	10,000,000.00		10,000,000	
Obsolete Expenses	268,316,356.53		-	
TOTAL	**1,069,048,928**	**729,159,991**	**702,119,223**	**666,474,991**

22. PROJECT COSTS

	GROUP		COMPANY NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Mchuchuma Colliery & Power	1,289,201,378	5,497,923,548	1,289,201,378	5,497,923,548
Liganga Iron & Steel	733,893,700	9,402,519,400	733,893,700	9,402,519,400
TAMCO-Industrial Park	257,820,243	132,045,827	257,820,243	132,045,827
KMTC-Factory	-	212,912,817	1,116,766,056	212,912,817
Nyanza Glass	203,352,731	5,437,413	203,352,731	5,437,413
Maganga Matitu-Kasi Mpya	8,576,000	158,323,500	8,576,000	158,323,500
General Tyre EA/Tyre Manufacturing Co.	49,240,630	27,171,309	49,240,630	27,171,309
Engaruka Soda Ash	546,893,996	299,766,531	546,893,996	299,766,531
Tractor Assembly Project	420,037,094	243,563,944	420,037,094	243,563,944
Katewaka Coal	3,051,000	238,471,225	3,051,000	238,471,225
Mhukuru Coal project	-	3,100,595	-	3,100,595
Kihuhwi Rubber	47,421,200	37,557,995	47,421,200	37,557,995
Kalunga Rubber	85,706,114	123,761,600	85,706,114	123,761,600
Mang'ula Project	51,396,100	38,701,624	51,396,100	38,701,624
TOTAL	**3,696,590,186**	**16,421,257,328**	**4,813,356,242**	**16,421,257,328**

23. FINANCE EXPENSES

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Interest Charges	1,340,781,252	1,335,567,929	1,306,356,252	1,335,567,929
Bank Charges and Commission	4,877,458	3,819,258	1,634,760	1,688,201
	-			
TOTAL	1,345,658,710	1,339,387,187	1,307,991,012	1,337,256,130

24. REVALUATION RESERVES

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Opening balance	51,714,500,919	21,600,325,428	10,760,264,427	10,760,264,427
Revaluation During the Year	-	30,114,175,491		
Balance at 30.06.2024	51,714,500,919	51,714,500,919	10,760,264,427	10,760,264,427

In financial year 2024 there was no revaluation conducted, The Group plan to conduct revaluation of investment properties and Other fixed assets revaluation in the financial year ending June 2025, also During the financial year ended 30 June 2023, the company incurred a revaluation loss of TZS 1,359,851,992, primarily impacting the assets of Tanzania Biotech Products Ltd (TBPL). This loss, recognized in accordance with IAS 16 "Property, Plant, and Equipment," resulted from a comprehensive revaluation conducted by independent valuers, which reflected a decline in the market values of our Buildings. The Losses were charged to Statement of Profit or Loss and Other Comprehensive Income.

25. SALES

	GROUP		NDC	
	30.06.2024 TZS	30.06.2023 TZS	30.06.2024 TZS	30.06.2023 TZS
Sales Biolarvicides Domestic Market	683,186,500	528,651,865	-	-
Sales Biolarvicides Foreign Market	126,084,000	218,108,250	-	-
Income From KMTC	163,749,000	66,322,500	46,480,000	66,322,500
Income from Rubber Plantation-Kihuhwi	228,012,901	138,585,500	228,012,901	138,585,500
Income from Rubber Plantation-Kalunga	81,374,000	55,370,000	81,374,000	55,370,000
	1,282,406,401	1,007,038,115	355,866,901	260,278,000

26. COST OF GOODS SOLD

	GROUP		Corporation	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS	TZS	TZS	TZS
Opening Balance	8,692,205,713	9,085,485,342	7,908,177,830	8,321,698,731
Production During the year	949,258,932	966,421,213	140,400,354	422,395,456
Transfer to KMTC	-	-	(457,262,339)	
Adjustment	(489,037,623)	(688,806,763)	20,313,551	(672,504,803)
Goods Available for Sale	**9,152,427,022**	**9,363,099,792**	**7,611,629,396**	**8,071,589,384**
Cost of Goods Sold	853,528,375	742,737,402	230,891,187	235,254,877
Provision for Obsolete Inventory	(328,134,680)	(71,843,323)	(71,843,323)	(71,843,323)
	525,393,695	**670,894,079**	**159,047,864**	**163,411,554**
Closing Inventory	**8,627,033,326**	**8,692,205,713**	**7,452,581,532**	**7,908,177,830**

27. CONTINGENT LIABILITIES

There was no contingent liability during the period under review.

28. CAPITAL COMMITMENTS

The Corporation had no capital commitments as at 30 June 2024.

29. NUMBER OF EMPLOYEES

The number of employees at the end of the period was 76 (30 June 2023: 75).

30. CAPITAL MANAGEMENT

The Corporation's primary goal in capital management is to maintain a robust credit rating and strong capital ratios, which are essential for supporting its operations and maximizing shareholder value. Throughout the twelve months ending 30 June 2024, there were no changes to these objectives or processes.

The Corporation uses the gearing ratio, calculated as net debt divided by total capital plus net debt, to monitor its capital. It is the Corporation's policy to maintain the gearing ratio below 30%. Net debt includes interest-bearing loans and borrowings, as well as trade and other payables, minus cash and cash equivalents. These were as below:

	GROUP		NDC	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS	TZS	TZS	TZS
Trade and Other Payables	12,899,184,249	12,604,669,780	8,337,444,173	8,336,906,391
Cash and Bank Balances	(5,137,408,786)	(7,765,751,971)	(5,071,217,985)	(7,631,218,633)
Net debt	7,761,775,463	4,838,917,809	3,266,226,187	705,687,758
Equity	201,083,939,694	204,559,918,001	194,212,402,849	189,705,412,452
Capital and Net Debts	208,845,715,157	209,398,835,810	197,478,629,036	190,411,100,210
Gearing Ratio	3.86%	2.37%	1.68%	0.37%

31. 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

32. RELATED PARTY TRANSACTION

Name	30.06.2024	30.06.2023
	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	146,251,260	145,470,700

33. RECONCILIATION OF CASH FLOWS STATEMENT

a) Cash flow Reconciliation

	GROUP		COMPANY NDC	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS	TZS	TZS	TZS
OPERATING ACTIVITIES				
Profit For the Year Before Tax	(2,998,607,067)	24,349,738,869	801,746,306	400,715,387
Adjustments for Non-Cash Items				
Depreciation	4,561,350,446	5,434,787,138	1,084,080,756	1,434,177,092
Loss on Foreign Currency Translation	(126,043,744)	(12,695,192)	-	(2,876,391)
Bad Debt	106,647,873	(233,424,969)	106,647,873	(233,424,969)
Amortization of Grants	(5,292,707,232)	(18,667,921,382)	(5,011,722,642)	(17,710,286,568)
Provision Financial Assets	106,647,873	(715,486,327)	106,647,873	(715,486,327)
Provision for Cash and Bank Balance	(59,321,274)	171,112,268	(56,516,776)	168,307,770
Revaluation Gain	-	(28,754,323,499)		
Cash Used Before Working Capital Changes	(3,702,033,124)	(18,428,213,094)	(2,969,116,610)	(16,658,874,006)
Changes in Working Capital				
(Increase)/Decrease in Stock	(8,627,033,317)	(65,172,387)	(455,596,298)	413,520,901
(Increase)/Decrease in FA-Loan to Farmers	104,685,394	(224,881,133)	104,685,394	(224,881,133)
(Increase)/Decrease in Tax Assets	(291,159,985)			
(Increase)/Decrease in Trade Receivables	(3,480,028,993)	(990,684,577)	5,649,430,331	2,823,604,516
(Decrease)/Increase in Trade and Payables	294,514,469	516,626,687	17,981,330	(4,655,244,822)
(Decrease)/Increase in Other Deferred Grants	(1,746,292,642)	1,842,691,965	1,746,292,642	1,842,691,909
(Decrease)/Increase in Current Maturity Long term Loan	1,306,356,252	1,335,567,930	(1,306,356,252)	1,335,567,930
Adjustments relates to Working Capital	10,844,117,946	(2,236,447,527)	(8,255,012,150)	(2,314,348,208)
	(1,594,840,876)	177,700,958	(2,498,575,003)	(779,088,907)
Net Cash generated by Operating Activities	(5,296,874,000)	(18,250,512,136)	(5,467,691,613)	(17,437,962,913)

b) Receipts from Customers

	Note	GROUP		COMPANY NDC	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		TZS	TZS	TZS	TZS
Sales	25	1,282,606,401	1,007,038,115	14,760,348,681	26,390,032,646
Investment Income (Less Subvention)	17	6,157,714,524	5,461,286,646	5,011,722,642	17,710,286,568
Other Income	18	3,852,165,812	3,256,752,052	3,479,135,801	3,210,766,756
Opening Trade Receivable	9	11,585,098,309	19,558,607,672	16,078,578,679	15,087,894,102
Closing Trade Receivables	9	(14,837,529,595)	(11,585,098,309)	(19,558,607,672)	(16,078,578,679)
Opening FA-Loan to Farmers	10	18,921,346,997	18,696,465,865	18,921,346,997	18,696,465,865
Closing FA-Loan to Farmers	10	(18,816,661,603)	(18,921,346,997)	(18,816,661,603)	(18,921,346,997)
Changes during the year		8,144,740,845	17,473,705,042	19,875,863,526	46,095,520,259
Less: Non-Cash Transactions				-	20,515,919,316
Cash Receipts During the Year		8,144,740,845	17,473,705,042	19,875,863,526	25,579,600,943

c) Payment to suppliers and employees

	Note	GROUP		COMPANY NDC	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		TZS	TZS	TZS	TZS
Cost of Goods Sold	26	853,528,375	742,737,402	230,891,187	235,254,877
Changes in Inventory	8	65,172,387	606,742,406	455,596,298	413,520,901
Changes in Trade Payables	16	294,514,469	(4,655,244,822)	537,782	255,771,746
Changes in Tax Assets	35	(291,159,985)	-	-	-
Operating Expenses		33,144,712,777	17,825,425,042	13,724,708,741	25,719,332,622
Changes in Accrued Liabilities	14	(1,306,356,252)	(91,219,247,294)	(439,936,390)	3,178,259,838
Non cash Transaction		(46,202,026,616)	40,975,370,088	(39,315,352,757)	(72,819,703,840)
Total		(13,441,614,845)	(35,724,217,178)	(25,343,555,139)	(43,017,563,856)

d) Cash Paid for Acquisition of Property Plant and Equipment

		GROUP		COMPANY NDC	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		TZS	TZS	TZS	TZS
Additions during the year	3(a&b)	657,695,928	1,910,196,314	416,955,811	1,910,196,314
Changes in Trade Payables	16	294,514,469	516,626,687	537,782	255,771,746
Changes in Payables not related to Asset Acquisition		(1,629,103,424)	(2,632,947,701)	(853,646,502)	(2,363,142,760)
Proceeds from Disposal of Assets	3(a&b)	21,897,099	-	21,897,099	-
Total		**(654,995,928)**	**(206,124,700)**	**(414,255,811)**	**(197,174,700)**

e) Note on Non-Cash Transactions Affecting Cash Receipts and Disbursements:

The Adjustment of Non-Cash items has been made in accordance with International Financial Reporting Standards (IFRS), NDC discloses that certain non-cash transactions have impacted the reported figures for cash receipts from customers, and payments to suppliers and employees. Notably, this includes accrued expenses which represent services received but for which payment has not yet been made and adjustments between cut off expenses and ledgers balance confirmation and reconciliation between NDC and Subsidiaries companies. These accruals are essential for the accurate reconciliation of changes in accounts receivable and payable as reported in the statement of cash flows. This adjustment ensures that the cash flows reflected in the financial statements provide a true and fair view of the company's operational cash activities, distinctly showing only those movements that involve actual cash transactions. Such transparency aids stakeholders in understanding the operational efficiency and cash management of the company.

34. NOTE ON OTHER RESERVES-FREE CARRIED INTEREST

As at 30 June 2024, the Other Reserves balance of TZS 12,000,000 represents free carried shares granted to the National Development Corporation (NDC) by Global Packaging Tanzania Limited in connection with the right to use land within the TAMCO Industrial Park. These shares were issued without any capital contribution from NDC, in line with regulatory and strategic obligations to facilitate government participation in key industrial sectors. The allocation was structured in a non-dilutive manner, reflecting an equity adjustment without impacting the company's capital structure or cash flows, and serves to support public-private collaboration and national economic development goals.

35. TAX ASSET

As at 30 June 2024, KMTC Manufacturing Company Ltd. recognized a Deferred Tax Asset (DTA) of TZS 291,159,985, arising from deductible temporary differences related to tax losses carried forward and differences in depreciation methods for tax and accounting purposes.

Breakdown of Deferred Tax Asset:

Source of Temporary Difference	Amount (TZS)	Tax @ 30%
1. Tax Loss Carry forward	911,883,283	273,564,985
2. Depreciation Timing Differences	58,300,000	17,595,000
Total	-	**291,159,985**

The DTA has been calculated based on an accounting loss of TZS (904,074,038), adjusted for disallowable expenses (depreciation and credit loss) and non-taxable revenue (wear and tear), resulting in an adjusted tax loss of TZS (970,533,284). This tax loss, along with timing differences from depreciation, creates future tax benefits to be utilized against taxable profits

36. FOREIGN EXCHANGE

During the financial years ending 30 June 2024 and 2023, the company experienced gain from foreign exchange transactions, reflective of currency fluctuations impacting the valuation of our foreign currency-denominated transactions. For the year ended 30 June 2024, the Group recognized a net foreign exchange Gain of TZS 126,043,744. These foreign exchange gains arise mainly from the revaluation of currency holdings, receivables, and payables in non-functional currencies in which the Group and the Corporation operate. The recognition and measurement of these gains and losses are in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates," which requires that they be recognized in profit or loss for the period in which they occur.

37. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

Adjusted Financial Figures for the Year Ended 30 June 2023

	Note	30.06.2023 TZS	Group 30.06.2023 TZS	Changes	30.06.2023 TZS	Corporation 30.06.2023 TZS	Changes	Reasons
Other Income	18	3,256,752,052	3,257,123,034	(370,982)	3,210,766,756	3,210,766,756	-	Foreign Exchange
Administrative Expenses	20	1,932,814,903	1,754,352,314	178,462,589	1,232,159,654	1,063,851,884	168,307,770	Loss Allowance on Bank Balances
Depreciation	3a&3b	5,434,787,138	5,427,722,138	7,065,000	1,434,177,092	1,434,177,092	-	Motor vehicle Depreciation charge TBPL
Net Foreign Exchange Loss		(12,695,192)	(13,045,596)	350,404	(2,876,391)	(2,876,391)	-	Trade receivables foreign exchange

Items of Statement of Financial Position

	Note	30.06.2023 TZS Restated	Group 30.06.2023 TZS -	Changes	30.06.2023 TZS Restated	Corporation 30.06.2023 TZS -		
Property and Equipment	3a-3b	111,382,117,969	117,940,564,845	(6,558,446,876)	61,674,662,617	68,240,174,493	(6,565,511,876)	changes in estimates of Useful life
Trade and Other Receivables	9	11,585,098,309	11,607,300,015	(22,201,706)	16,078,578,679	16,078,578,679	-	Foreign Exchange adjustments
Cash and Bank Balances	11	7,765,751,971	7,936,864,239	(171,112,268)	7,631,218,633	7,799,526,403	(168,307,770)	Loss Allowances
Retained Earnings		(24,617,805,971)	(17,520,619,185)	(7,097,186,786)	1,949,168,523	9,635,450,356	(7,686,281,833)	Changes in Estimation of useful life
Non-Controlling Interest		467,243,551	461,293,096	5,950,455	-	-	-	Expenses adjustments
Trade and Other Payables	16	12,604,669,780	12,265,194,354	339,475,426	8,336,906,391	7,384,444,206	952,462,185	Tax and other provision balance adjustments

37. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (Continued)

The financial statements for the year ended 30 June 2023 have been restated to correct accounting treatments in several areas as identified during the fiscal year 2024. The restatements impact both the Group and the Corporation across various items including Property and Equipment and Retained Earnings, among others. These adjustments were necessary to correct misapplications of accounting principles related to depreciation, tax, and revenue recognition, ensuring the integrity and accuracy of our financial reporting.

These corrections have been reflected in the comparative information provided in the current year's financial statements. Management is ensuring that the restated financial statements provide a reliable and accurate basis for understanding the financial position and performance of both the Group and the Corporation.

38. RETAINED EARNINGS

During the financial year ended 30 June 2024, the Group's retained earnings decreased from a restated balance of TZS (24,617,805,971) to TZS (28,037,648,065), representing a total negative movement of TZS 3,419,842,094. This movement arose from the consolidated loss for the year and specific equity adjustments related to KMTC Manufacturing Company Ltd. and NDC,

The increase in the retained earnings deficit was primarily due to KMTC's recognition of TZS 4,182,615,332 in pre-project costs expensed in anticipation of a share-based funding arrangement. These were removed from capital work-in-progress following IFRS compliance for non-capitalizable early-stage costs. This was partially offset by a positive adjustment of TZS 3,705,244,091 relating to NDC's revision of useful life estimates for key industrial assets, which reduced depreciation charges. The net impact of these adjustments, amounting to TZS 477,371,241, was recognized within the Group's equity — split between controlling and non-controlling interests.