



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL
STATEMENTS AND COMPLIANCE AUDIT OF TANZANIA BUILDING AGENCY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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March, 2022

AR/CG/VT98/TBA/2020/21



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Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the URT of 1977 (as amended from time to time) and in Section 10 (1) of the Public Audit Act, 2008.

Vision

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

Mission

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

Motto: "Modernizing External Audit for Stronger Public Confidence"

Core values

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

We do this by:

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

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Abbreviations

CAG	Controller and Auditor General
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
LAAC	Local Authorities Accounts Committee
PAA	Public Audit Act, Cap. 418 [R.E 2021]
PAC	Public Accounts Committee
PAR	Public Audit Regulations, GN No. 47/2009
PFA	Public Finance Regulations, 2001 [R.E 2004]
PPA	Public Procurement Act, 2011 [as amended in 2016]
PPR	Public Procurement Regulations, 2013 [as amended in 2016]
TBA	Tanzania Building Agency
TZS	Tanzania Shillings

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chief Executive,
Tanzania Buildings Agency,
P. O. Box 9542,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of Tanzania Building Agency which comprise of the Statement of Financial Position as at 30 June 2021, and Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Building Agency as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act No. 248 (R.E 2020).



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 Auditor's Responsibilities for the audit of the financial statements section of my report. I am independent of Tanzania Building Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other information

Management is responsible for the other information. The other information comprises the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with Governance for the Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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 benefits of such communication.

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

Further, Sect. 48(3) of the Public Procurement Act, 2011 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 procurement of works, goods and services in the Tanzania Building Agency for the financial year 2020/21 as per the Public Procurement Laws in Tanzania.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Tanzania Building Agency is generally in compliance with the requirements of the Public Procurement Laws in Tanzania.

- 
- (i) **Failure to establish regional offices delegated Tender Board**
Contrary to Sect. 31 (1) of Public Procurement Act, 2011 and Reg. 46 (5) of Public Procurement Regulation, 2013 [amended in 2016], I observed that, except TBA Dodoma Regional office, other TBA offices visited did not establish delegated tender board for approval of procurement.
 - (ii) **Procurements for steel bars not supported with testing reports TZS 504,894,915.25**
Clause 11 of General Condition of Standard Contracts between TBA and Suppliers requires, supplier to ensure the quality and quantity inspection is carried out at the supplier's own expenses. The supplier is required to submit the inspection certificate which should be attached with certificate of the manufactures to TBA. From the review of payment vouchers at TBA Head office, it was noted that TBA procured 270 tons of steel bars amounting to TZS 504,894,915.25 from two suppliers (TAS AND SONS Investment Ltd-Morogoro and CRSG Tanzania Trading Co Ltd). It was further noted that TBA paid suppliers the said amount without getting the steel bars testing report from the relevant testing Authority as per requirement of clause 11 of GCC.

(iii) **Procured goods were received without being inspected - TZS 316,344,204.71**
Regulation 244 (1) of the Public Procurement Regulation of 2013 [as amended in 2016] states that, "Goods delivered shall be inspected, sampled and tested by the procuring entity and they shall not be accepted if they are below the standards stipulated in the contract". My review on payment vouchers and other documents nrelated to the procurement of goods at TBA for the year ended 30 June 2021 noted that, Goods amounting to TZS 316,344,204.71 were procured and received by TBA Dar es Salaam office without being inspected to confirm their quality and correctness of the delivered amounts (quantities) in accordance with the agreed condition and specification contry to the requiremenet of Regulation 244 (1) of the Public Procurement Regulation of 2013 [as amended in 2016].



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



March, 2022

2.0 FINANCIAL STATEMENTS



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1 LIST OF ABBREVIATIONS

CAG:	Controller and Auditor General
DC	District Commissioner
DSM:	Dar es Salaam
EIA:	Environmental Impact Assessment
FDR:	Fixed Deposit Receipts
FWD:	Four Wheel Drive
FY:	Financial Year
HIV and AIDS:	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome
HOSCO:	Household Supplies Company Ltd
HQ:	Head Quarters
IAS:	International Accounting Standards
IFMS:	Integrated Financial Management Systems
IFRIC:	International Financial Reporting Interpretation Committee
IFRS:	International Financial Reporting Standards
IP:	Investment Property
IPSAS:	International Public Sector Accounting Standard
IPSASB:	International Public Sector Accounting Standard Board
KRA:	Key Result Areas
MAB	Ministerial Advisory Board
MDAs:	Ministries, Departments and Agencies
MoWTC:	Ministry of Works, Transport and Communication
NHIF:	National Health Insurance Fund
NEDCO:	National Development Corporation
NEMC:	National Environment Management Council
Nos:	Numbers
PPE:	Property, Plant and Equipment
PSRP:	Public Service Reform Programme
SIC:	Standing Interpretation Committee
TBA:	Tanzania Buildings Agency
TFAS:	Tanzania Financial Accounting Standards
TRC:	Tanzania Railways Corporation
TZS:	Tanzania Shillings
TUGHE	Tanzania Union for Central Government and Health Employees



2 AGENCY INFORMATION

REGISTERED OFFICE

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MINISTRY OF WORKS AND TRANSPORT
TANZANIA BUILDINGS AGENCY



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Tel: +255 22 2162457

CRDB Bank Plc

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Tel: +255 22 2 117 441-7

Email: crdb@crdbbank.com

Bank of Africa

P. O. Box 3054, Dar es Salaam

Tel: (255) 22 211 01 04 / 211 12 90

E-mail: boa@boatanza



3 DIRECTOR'S REPORT

3.1 INTRODUCTION

TBA Management submits the Annual Financial Report which summarizes the executed activities, achievements attained, challenges faced and the Financial Statements for the financial year ended 30th June 2021, which discloses the state of affairs of the Agency.

This Directors report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1.

Tanzania Buildings Agency (TBA) was established under Section 3 (1) of the Executive Agencies Act No 30 of 1997 and became operational on 17th May, 2002. Tanzania Buildings Agency operates as semi-autonomous Executive Agency under the Ministry of Works and Transport (Works).

3.2 TBA CORPORATE OUTLOOK

3.2.1 Vision

A leasing Centre of excellence of Government Real Estate Development and Management.

3.2.2 Mission

To provide standard, quality and affordable accommodation to the government and public servants through real estate management, consultancy and construction services.

3.3 PRINCIPAL ACTIVITIES OF THE AGENCY

The main role of TBA is to provide accommodation to the Government and Public Servants by constructing and renting government building as well as providing consultancy services to the Government as stated in establishment order Section 3(3). Specifically the Agency is charged with the following Activities:-

3.3.1 Construction of Government buildings

The Agency provides construction services at all stages being designing, building and renovating government buildings.

For the year ended 30th June 2021, The Agency was able to handle a total of 197 projects out of which 74 projects were completed (45 construction projects and 29 renovating projects), 29 projects were suspended (20 construction projects and 9 renovation projects) and 94 projects still on progress which are categorized as grants projects, pre



contract projects, design and build, construction projects, TBA own source projects and project management and strategic projects.

Among major construction projects were construction of Ex. President Hon. Jakaya Mrisho Kikwete Residency at Kawe in Dar es Salaam, construction of Ex. President Hon. Ali Hassan Mwinyi Residency and construction of Primary Court at Lugarawa-Ludewa, Mdandu Wanging'ombe-Njombe and Makete-Njombe. During the year the Agency collected TZS 2,360,252,084 from Construction Projects.

Due to the Government plan of shifting its major operations in Dodoma capital city from Dar es Salaam, the Agency has planned to construct 100 houses in Dodoma. As at 30th June 2021, the Agency is in the process of constructing 20 houses. The Agency will also proceed with its move to construct houses in each region in Tanzania Mainland as stipulated in its Special Housing Program which started 2012 for constructing 10,000 houses across the Country.

3.3.2 Renting and Selling of Government Houses to Public Servants

Since its establishment up to 30th June 2021, the Agency had 13,779 houses. Out of these houses, 7,557 houses were sold to public servants, 1,191 houses have been rented to the public servants and 1,289 have been rented on special basis. The Agency received 3,311 houses from Ex-Tamisemi and 431 from Ex-CDA houses that were rented to public servants, on special rate and few to purchase on special rate.

For the financial year ended 30th June 2021, the Agency collected TZS 7,347,211,147 as sales and rent from Government houses. Table 1 Shows collection from each source of revenue.

Table 1: Sales and Rental Collection

Source of Revenue	Actual Collections (TZS)
Sales from Government Houses	1,165,857,077
Public Rent	2,625,632,402
Commercial Rent	3,555,721,667
Total	7,347,211,147

3.3.3 Provision of consultancy services to the Government

During the Financial year ending 30th June 2021, The Agency collected TZS 5,580,183,137 from Consultancy services, being result of steward ship offered by TBA management team.



The Agency successfully designed, constructed and provided consultation services to 37 projects of which includes construction of DC office Ikungi, rehabilitation of Iringa RC office-phase II and construction of DED office for Malinyi and 17 projects are still on progress like construction of Primary Court at Kimbe-Kilindi and construction of Nzega Town Council Headquarters.

3.3.4 Rehabilitation and Maintenance of Government buildings

The Agency also conducted renovation of its buildings using its own source funds. Among of those include rehabilitation of Garden Avenue, Regent Estate, Mivinjeni Area and Ex-NMC at Mikocheni, Ex-STAMICO, Onnela Village, ADA Estate, Chole apartments, 6/2 Ali Hassan Mwinyi Road, Mbezi Beach Ex-NMC, Ex-NEDCO Flats and Block A Ilala Mchikichini. Also, some of the rehabilitation were done in Dodoma Region such as Site I, II and III, Area C and Kikuyu Area and Kisasa.

3.4 APPROPRIATION OF RESERVE/SURPLUS

Tanzania Buildings Agency is a public institution that is not for profit making and for that case there is no declaration of dividends. During the year 2020/21, the Agency recorded surplus of TZS 34,575,512,782 this overwhelming amount is a result of recognizing Development Projects as Agency's Assets and Revenue for the year.

3.5 OVERVIEW OF THE FINANCIAL STATEMENTS

3.5.1 STATEMENT OF FINANCIAL PERFORMANCE

The Agency's operations were mainly financed through revenue collected from TBA's core activity operations i.e.; consultancy, construction and real estate management. Other sources of financing included: Grants from the government, revenue from sales of tender documents, bank interests, commissions, penalties and gain from foreign exchange transactions. Revenue generated in 2020/21 was TZS 57,687,438,962 compared to TZS 47,946,176,673 generated in year 2019/20 indicating an increase of 20%. Also, there was a decrease of expenses by 9% from TZS 25,488,568,444 in 2019/2020 to TZS 23,111,926,180 in 2020/2021 as shown in Table 2 below



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Table 2: Changes Occurred in the Statement of Financial Performance for the Period Ended 30th June, 2021

Particulars	2020/2021 TZS	2019/2020 TZS	Variation	% of Variation
Revenue from Non Exchange Transaction	32,109,182,088	19,159,650,421	12,949,531,667	67.6%
Revenue from Exchange Transactions	25,516,204,185	28,665,942,061	(3,149,737,877)	-11%
Other Revenue	62,052,689	120,584,191	(58,531,502)	-49%
Total Revenue	57,687,438,962	47,946,176,673	9,741,262,289	20%
Expenses	23,111,926,180	25,488,568,444	(2,376,642,264)	-9%
Surplus For the Period	34,575,512,782	22,457,608,229	12,117,904,553	35%

Revenue

There was an increase in total revenue by 20% mainly because of recognizing Development Projects as Agency's Assets and Revenue for the year.

Expenses

There was a decrease in expenditure by 9% matching the low lower revenue from non-exchange transaction during the year 2020/21.

3.5.2 STATEMENT OF FINANCIAL POSITION

Financial position comprises of current assets, non-current assets, liabilities and net assets/equity which comprises of tax payer's fund and accumulated surplus as analysed in Table 3 below

Table3: Changes Occurred in Statement of Financial Position as at 30th June 2021

Particulars	2020/2021 TZS	2019/2020 TZS	Variation TZS	% of Variation
Current Assets	133,248,262,194	129,171,130,600	4,077,131,593	3.16%
Non Current Assets	512,405,004,585	483,212,203,837	29,192,800,748	6.04%
Total Assets	645,653,266,779	612,383,334,437	33,269,932,342	5.43%
Current Liabilities	(15,345,667,027)	(19,471,743,295)	4,126,076,268	-21.19%
Non current Liabilities	(3,441,764,796)	(621,268,968)	(2,820,495,828)	453.99%
Total Liabilities	(18,787,431,823)	(20,093,012,263)	1,305,580,440	-6.50%
Total Net Assets	626,865,834,956	592,290,322,174	34,575,512,782	5.84%
Tax payer's Fund	376,135,047,532	376,135,047,532	-	0%
Accumulated Surplus	250,730,787,424	216,155,274,641	34,575,512,783	16%
Total Net Assets	626,865,834,956	592,290,322,174	34,575,512,782	6%



3.5.2.1 Current assets

There was a very minimal increase in current assets caused by small increase in receivables from trading activities.

3.5.2.2 Non-Current Assets

There was an increase of non-current assets because of recognition of new assets.

3.5.2.3 Liabilities

There was a decrease in liabilities by 6.5% as the Agency managed to settle loans acquired from financial institutions.

3.5.2.4 Accumulated Surplus

During the year 2020/21, accumulated surplus increased by 16% after recognizing surplus for the period which is highly contributed by development revenue for the year.

3.5.3 CASH FLOW STATEMENT

Statement of Cash Flow comprises of cash flows from operating activities, cash flow from investing activities and cash flow from financing activities as analysed in Table 4 below.

Particulars	2020/2021 TZS	2019/2020 TZS	Variation TZS	% of Variation
<i>Cashflow from Operating Activites</i>				
Receipts	84,638,032,648	76,746,988,604	7,891,044,044	10%
Payments	(51,871,580,633)	(58,553,704,115)	6,682,123,482	-11%
<i>Net Cash flows from Operating Activites</i>	32,766,452,015	18,193,284,489	14,573,167,526	80%
<i>Net Cashflows from Investing Activites</i>	(28,062,173,456)	(11,904,735,996)	(16,157,437,460)	136%
<i>Net Cashflows from Financing Activites</i>	(4,391,306,520)	(5,257,904,200)	866,597,679	-16%



3.5.3.1 Cash flows from Operating Activities

Total receipts during the financial year 2020/21 were TZS 84,638,032,648 the receipts comprised of sales of government houses, public rent, special rent, consultancy fees, construction services and deposits from special projects and other receipts. However, TZS 51,871,580,633 were payments made which comprised of refunds from special projects deposits, contract client works and operating activities like wages, salaries, routine maintenance and repair and other expenses.

3.5.3.2 Cash flows from Investing Activities

Investing activities in 2020/21 is relatively higher compared to 2019/20 by 136%, in which 2019/2020 investing activities were TZS 11,904,735,996 while during the financial year 2020/2021 was TZS 28,062,173,456 that were spent on installation of batching plant in Dodoma, Simeon Project in Arusha, Magomeni Kota, Rehabilitation of TBA office in Dodoma and Dar es Salaam.

3.5.3.3 Cash flows from Financing Activities.

During the year under review, the Agency managed to settle all loans from financial institutions and did not acquire new loans.

3.5.4 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL

Statement of Comparison of budget and actual comprises of budgeted receipts and payments and actual receipts and payments as analysed in Table 5 below.

Table 5: Statement of Comparison of budget and actual

Particulars	Budgeted	Actual	Variation	% Variation
Total Receipts	118,910,495,247	84,638,032,648	(34,272,462,599)	-29%
Total Payments	(118,910,495,247)	(84,325,060,608)	(34,585,434,639)	-29%

3.5.4.1 Budgeted receipts versus Actual receipts

The Agency expected to generate an income of TZS 118,910,495,247.00 for the financial year 2020/21 but only generated TZS 84,638,032,648.

3.5.4.2 Budgeted payments versus Actual payments

During the financial year 2020/2021, the Agency budgeted to make payments of TZS 118,910,495,247.02 the actual payment was TZS 84,325,060,608.



3.6 GOVERNANCE AND GOVERNING STRUCTURE

3.6.1 MINISTERIAL ADVISORY BOARD

According to Section 6 of the Executive Agency's Act No. 30 of 1997 as revised 2009, the Minister for Works and Transport (works) is responsible for appointing members of the Ministerial Advisory Board (MAB).

The Main function of the MAB is to give advice to the Minister on TBA strategic issues and its operations.

The appointment of the MAB members is done after every three years by the Minister responsible for Works and Transport (works).

During the year ended 30th June 2021, Tanzania Buildings Agency had no Ministerial Advisory Board.

3.6.2 MANAGEMENT AND ADMINISTRATIVE MATTERS

The Management of the Tanzania Buildings Agency comprises of the Chief Executive, assisted by four Directors (Director of Business Support, Director of Consultancy Services, Director of Constructions and Director of Real Estate), eight managers of units namely (Internal Audit, Legal Services, Procurement Management services, ICT, Project, Plant and Machinery and Public relations) and twenty-six Regional Managers for regional offices.

3.6.3 AUDIT COMMITTEE

The Audit Committee established in accordance with legal requirements and best governance practice designed to improve overall governance framework of TBA. The following are the responsibilities of the Audit Committee;

- To oversee the process related to the Agency's risk and internal control.
- To oversee financial and other operational reporting.
- To ensure regulatory and legal requirements compliance and
- To oversee internal and external audit processes.

Members of the Audit Committee who serve during the reporting period are as shown in table below.



Table 6: Members of Audit Committee

No.	Name	Nationality	Position	Duration
1	Mr. Salminy Malole	Tanzanian	Chairperson	1 year
2	Mr. Bruno M. Shirima	Tanzanian	Member	4 years
3	Mr. Hillary Msaki	Tanzanian	Member	1 year
4	Mr. Emmanuel Wambura	Tanzanian	Member	1 year
5	Mr. Victor Baltazary	Tanzanian	Member	1 year
6	Ms. Joyce Mtinyange	Tanzanian	Secretary	1 year

During the year 2020/2021, the committee conducted regular meetings and extra ordinary meetings. The following issues were discussed and deliberated on.

- Discussed and recommended for approval to the council internal audit plan for the year 2020/2021.
- Draft Financial Statement 2020/2021.
- CAG reports for the year 2019/2020.
- Implementation of CAG and internal auditor reports

3.7 LOCAL AND INTERNATIONAL RELATIONS

TBA has continued to maintain good relations with general public through the use of mass media, participating in national exhibitions and trade fairs. The Agency is registered as a Consultant firm under Architects and Quantity Surveyors Registration Board (AQRB), Engineers Registration Board (ERB) and National Environmental Management Council (NEMC). Also TBA's Building construction Brigade has been registered under Contractors Registration Board (CRB) as Class I Building Contractor.

In addition, the Agency has maintained relations with international organizations performing similar activities; where the Agency is working in association/collaboration with Engineering Consultants Group (ECG) of Egypt in various Construction projects in Tanzania and East Africa at large, in order to improve capacity and technology transfer. These relations have enhanced the Agency's current technical as well as professional standards in performing its mandate.



3.8 SOLVENCY

The Management confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Management has reasonable expectation that TBA has adequate resources to continue in operational existence for the foresee-able future.

3.9 CAPITAL MAINTENANCE

Capital is maintained through national budget allocation to TBA through the Ministry of Works and Transport (works). As at 30th June 2021 the Capital balance was TZS 376,135,047,532 as shown in Table 7 below.

Table 7: Capital Maintenance

No.	Description	2020/2021 (TZS)	2019/2020 (TZS)
1	Tax payer's fund	376,135,047,532	376,135,047,532
2	Additions	-	-
TOTAL		376,135,047,532	376,135,047,532

3.10 RISK MANAGEMENT AND INTERNAL CONTROL

The Management accepts responsibility for the risk management and internal control systems of the Agency. It is the responsibility of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- i. The effectiveness and efficiency of operations;
- ii. The safeguarding of TBA assets;
- iii. Compliance with applicable Laws and Regulations;
- iv. The reliability of accounting records;
- v. Business sustainability under normal as well as adverse conditions; and
- vi. Responsible behaviours towards all stakeholders.

The efficiency of any internal control system depends on the strict compliance and adherence to prescribed measures. There is always a risk of non-compliance of such measures by staff. The Agency assessed the internal control systems throughout the financial year ended 30th June, 2021 and is of the opinion that it met the accepted criteria.



The key elements of internal control system are as follows:

3.10.1 Annual Performance Agreement Contract

This is the Agreement between Chief Executive and Permanent Secretary of Ministry of Works and Transport (works). Overall objectives and targets of the Agency for the year agreed by the Permanent Secretary Ministry of Works, Transport and Communication which delegates the day-to-day operations to Chief Executive for execution.

3.10.2 Annual Business Plan

Detailed Business Plans prepared by the Management and approved by Ministerial Advisory Board. The Business Plan is derived from the TBA Strategic Plan of the year 2015/16 - 2020/21.

3.10.3 Staff Skills Maintenance

Staff skills are maintained by a formal recruitment process through Public Service Recruitment Secretariat after getting Approval by the President's Office, Public Service Management and Good Governance (PO-PSM). Performance appraisal system also is used to maintain skills within the Agency by identifying training needs that emanates from performance measurement of individual employees.

3.10.4 Internal Audit

The Unit reviews controls and ensures that management adheres to internal controls and complies with Financial Rules and Regulations. The Internal auditor functionally reports to the Audit Committee and administratively to the Chief Executive Officer.

3.11 APPROPRIATION OF SURPLUS

TBA is a public institution that is not for profit making and for that reason; there is no declaration of dividends. According to its Strategic Plan, the surplus generated, if any, shall be used for financing future projects and activities of the Agency.

3.12 FUTURE DEVELOPMENT PLAN

In the financial year 2020/21, the Agency will continue to implement its Strategic Plan. The Agency will focus on key areas of institutional strengthening and Sustainability and strive to do the following;



- i. To focus on capacity building by improving competence of its staff at all levels through long and short courses training.
- ii. To improve networking system in order to facilitate transfer of information in Head Office and the Regions. This will enable TBA efficiently and effectively managed through provision of reliable, relevant and accurate information.
- iii. To improve staff motivation and incentives in order to foster staff commitment.
- iv. To prepare internal policies, finalize scheme of service and manuals in order to streamline operations.
- v. To increase revenue resources and strengthening collections, through revamping carpentry workshops in strategic regions, putting into operation Concrete Batching Plant at Magomeni and Dodoma, establishment of Stone Quarry in Dodoma and Conduction EIA for Construction Projects.



4 RESOURCES

4.1 GENDER PARITY

Tanzania Buildings Agency is an equal opportunity employer and gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties. As at 30th June 2021 the Agency had the following distribution of employees by gender as shown below in Table 8.

Table 8: Distribution of employees by gender

Gender	2020/21	2019/20
Female	115	111
Male	278	256
Total	393	367

4.2 RELATED PARTY TRANSACTIONS

All related party transactions and balances, are disclosed in the Note No.41

4.3 CORPORATE SOCIAL RESPONSIBILITY

During the year 2020/21, the Agency managed to renovate Juhudi Secondary School, sponsored Chama Cha Viziwi Tanzania (CHAVITA)'s day and Magomeni Health Centre landscaping.

4.4 ACCOUNTING POLICIES

A summary of key accounting policies are in Notes to these financial statements.

4.5 EMPLOYEES WELFARE

4.5.1 Management and Employees' Relationship

The relationship between the Management and employees was good. There were no unresolved complaints received by Management from the employees during the year.

The management maintains good relation between management and employees through;

- i. Departmental and Sectional/Unit meetings,
- ii. TUGHE (chairman and Secretary) involved and participated in various extended meetings,
- iii. Workers Council,



- iv. Internal memos for employees comments on various issues, and
- v. Suggestion Box.

4.5.2 Recruitment and Cessation

During financial year 2020/21 The Agency employed 26 new employees in various positions (Male 22 and Female 4), two employees passed away and 9 employees were transferred to other institutions.

4.5.3 Training Facilities

For the financial year 2020/21, 137 members of staff were sponsored and attended various short and long courses, 129 employees were sponsored on short courses and 9 employees were sponsored on long term courses.

4.5.4 Medical Assistance

All Members of Staff together with a maximum number of four beneficiaries (dependents) for each employee were availed with medical insurance through NHIF which they contribute 3% of their basic salary and employer contributes 3%. Also the Agency provides health care to 12 staff with special needs requirement which is not covered by the Insurance Policy.

4.5.5 Financial Assistance to Staff

TBA provides financial assistance to the employees by being a guarantor to the employees on loan issues from different financial institutions, TBA SACCOS and Salary Advance.

4.5.6 Persons with Disabilities

During the year under review, the Agency has not recruited any person with disabilities. However, it is the policy of the Agency not to discriminate persons with disability in recruitment.

4.5.7 Annual Leave

Annual leave is granted in accordance to the Regulation no H.4 of the Government Standing Orders of the Public Service, 2009 of which 28 days are provided to every staff for every annual leave cycle of the year.



According to regulation No. H.5 (b) of the Standing Order every public servant is paid leave assistance once during the two years leave cycle to cover for transport of the staff, spouse and four dependents.

However, within the Agency the calculations for annual leave transport fare is in accordance to the S. 30(e) of the Executive agencies Act No.30 of 1997 and its amendments of 2009 of which public servants on leave are paid in relation to their monthly salary.

4.6 LEGAL AND REGULATORY REQUIREMENTS

Tanzania Buildings Agency is semi - autonomous Executive Agency established by Executive Agencies Act No.30 of 1997. The Agency reports to the Ministry of Works and Transport (works) and is required to comply with the Government procedures and Laws of the land. During the year under review, the Agency complied with all applicable Laws.

4.7 KEY CHALLENGES FACING THE AGENCY

There are critical challenges facing Agency in its efforts to achieve its goals as follows;

- i. The Agency has been facing various challenges in undertaking housing projects due to the unavailability of surveyed areas/plots with reasonable price.
- ii. The Agency has also faced some difficulties in selling houses due to the inability of the public servants to be loaned through mortgage financing.
- iii. Higher interest rates by commercial banks, which tend to increase the price of houses thus making it difficult for public servants to buy houses through mortgage financing.
- iv. The long outstanding debts with Government Institution, it resulted into tied up of fund, which could have been used to finance Agency's activities.
- v. Most of the Public servants are low income earners, thus may not afford purchasing houses intended for them.

4.8 AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor of the Tanzania Buildings Agency by the virtue of article 143 of the Constitution of the United Republic of Tanzania (Revised 2005) and further elaborated in section 10(1) of the Public Audit Act No 11 of 2008.

Arch. Daud W. Kondoro
CHIEF EXECUTIVE



5 CHIEF EXECUTIVE STATEMENT

Tanzania Buildings Agency in its effort to carry out the entrusted obligations has realized significant achievements in four major areas where it has mandate, these areas include Real Estate Management, Consultancy Services, Construction Services, and Business Support Services.

5.1 REAL ESTATE MANAGEMENT

The Agency receives buildings and land from different Government Institutions for maintenance and renovation. Since its establishment up to 30th June 2021, the Agency had 13,779 houses. Out of these houses, 7,557 houses were sold to public servants, 1,191 houses were rented to public servants and 1,289 were rented on special rate. The Agency received 3,311 houses from Ex-Tamisemi and 431 from Ex-CDA houses that were rented to public servants as shown in Table 9 below.

Table 9: TBA Total Houses

Status	Number
Sold	7,557
Rented to Public Servants	1,191
Rented on Special Rates	1,289
Received from EX-Tamisemi	3,311
Received from EX-CDA	431
Total Houses	13,779

The Agency has continued with its Special Housing Program of constructing 10,000 houses across the Country. As at 30th June, 2021, the Agency has 3,238 Plots and 9 housing estates in Tanzania Mainland. As part of this Program the Agency embarked on construction of 851 houses in Bunju Dar es salaam in the year 2014. Out of 851 houses, 279 houses were constructed, in which 219 were completed and 60 houses are in different completion stages. Out of completed houses, 67 houses were sold and fully paid while 152 houses' payments are in process. (See Table 10. below)

Table 10: Constructed Houses

Status	Number
Completed (Paid Fully)	67
Completed (Partially Paid)	152
Total Completed	219
Incomplete	60
Total Constructed	279



Due to the Government plan of shifting its major operations in Dodoma capital city from Dar es Salaam, the Agency has planned to construct 100 houses in Dodoma. As at 30th June 2021, the Agency is in the process of constructing 20 houses.

The Agency will also proceed with its move to construct houses in each region as stipulated in its Special Housing Program which started 2012 for constructing 10,000 houses across the Country.

5.2 CONSULTANCY SERVICES

During the year under review the Agency has provided Consultancy services to 54 projects to various Government Institutions across Tanzania. Some of these projects were executed using own source funds while others were executed as client works. The Agency successfully designed and provided consultation services to 37 projects like construction of DC office Ikungi, rehabilitation of Iringa RC office-phase II and construction of DED office for Malinyi and the Agency is still working with 17 projects like construction of Primary Court at Kimbe-Kilindi and construction of Nzega Town Council Headquarters.

5.3 CONSTRUCTION SERVICES

The Agency provides construction services at all stages being designing, building and renovating government buildings. During the year ended 30th June 2021 the Agency has handled a total of 197 projects where 74 projects are complete and have been handled over and 94 projects are still on progress and 29 projects were suspended. Among major construction projects were construction of Ex. President Hon. Jakaya Mrisho Kikwete Residency at Kawe in Dar es Salaam, construction of Ex. President Hon. Ali Hassan Mwinyi Residency and construction of Primary Court at Iugarawa-Ludewa, Mdandu Wanging'ombe-Njombe and Makete-Njombe.

5.4 BUSINESS SUPPORT SERVICES

During the year ended 30th June 2021, the Agency recorded total revenue to the tune of TZS 57,687,438,962 while expenses were TZS 23,111,926,180 thus resulting to a surplus of TZS 34,575,512,782 TBA's Business Plan of 2020/21 has been implemented throughout the year to archive its intended objectives. The Agency also continued to promote its product in various media such as TV, radio Newspapers and other Social media.

During financial year 2020/2021, 26 new staff were employed (22 were male and 4 were female) and two employees passed away. During the period under review, 137 Agency



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MINISTRY OF WORKS AND TRANSPORT
TANZANIA BUILDINGS AGENCY



employee attended different course and seminars while 12 staff were given medical assistance to employees who need special care. The Agency has provided leave allowance, retirement benefits to 4 employees and loan to its employees.



6 PREPARATION OF FINANCIAL STATEMENTS

According to Section 25(2), of Public Finance Act No. 6 of 2001 (revised 2004) each public organization is required to prepare and submit its Financial Statements to the Controller and Auditor General (CAG) before or on 30th September, each year.

The Controller and Auditor General (CAG) is the Statutory Auditor of the Tanzania Buildings Agency (TBA) by the virtue of article 143 of the Constitution of the United Republic of Tanzania (Revised 2005) and further elaborated in section 10(1) of the Public Audit Act (PAA) No 11 of 2008

In conclusion, we are cognizant of the fact that the impressive operational results have been a product of joint efforts of several key TBA stakeholders. I would therefore like to acknowledge the contribution of the Ministry of Works and Transport (works), Audit committee, TBA staff, management and our stakeholders. We wish to extend our gratitude and thanks for their continued commitments and efforts in supporting the Agency.

We assure you that we will continue to work hard to achieve the best for Government real estate development and management in Tanzania. This is possible through joint efforts from our stakeholders and teamwork of skilled and well-motivated staff.

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Arch. Daud W. Kondoro
CHIEF EXECUTIVE



7 STATEMENT OF MANAGEMENT RESPONSIBILITY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

Tanzania Buildings Agency Financial Statements have been prepared by the Management in accordance with the provisions of Sec. 25(4) of Public Finance Act No. 6 Of 2001 (Revised 2004). The Financial Statements are required by the said Act are presented in manner consistent with the International Public Sector Accounting Standards (IPSAS) Accrual basis of Accounting.

Management of the Agency is responsible for establishing and maintaining a system of Control designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all financial resources by Tanzania Buildings Agency.

To the best of my knowledge, the systems of internal control has operated adequately throughout the reporting period and that the financial statements and underlying records provide a reasonable basis for the preparation of the financial statements for the financial year 2020/21.

I accept responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act No. 6 Of 2001 (Revised 2004) and instructions issued by Treasury in respect of the year under review.

Arch. Daud W. Kondoro
CHIEF EXECUTIVE



8 DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS OF TANZANIA BUILDINGS AGENCY

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 and Accounts responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the 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 Management as per the statement of management responsibility on the financial statement on an earlier page.

I, CPA Ally Juma Kiko being the Head of Finance and Accounts of Tanzania Buildings Agency hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2021 have been prepared in compliance with applicable accounting standards and statutory requirements. I thus confirm that the financial statements give a true and fair view position of Tanzania Buildings Agency as on that date and that they have been prepared based on properly maintained financial records.

CPA (T) Ally Juma Kiko
Ag. Chief Accountant - (ACPA 3051)



9 COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021

9.1 OVERVIEW OF FINANCIAL STATEMENTS

The financial statements comprises financial position, financial performance by nature, changes in net assets/equity, cash flow statements, statements of comparison of budget and actual amount and notes to financial statements of Tanzania Buildings Agency (Vote 054) as at 30th June, 2021.

9.2 FINANCIAL POSITION

Financial position comprises of Work in Progress for sale (current asset), Inventories, Trade and other receivables, Loan and advance, cash and cash equivalents, Work in Progress Investment Property (Non-current assets), Investment Property, Property, plant and equipment, Other non-current assets, Intangible assets, Trade and other payables, Cash and cash equivalent, Client deposit, Provision for Liabilities, Loan from financial institutions, Differed income (Non-current liabilities) and Net assets which comprises of Tax payer's fund and Accumulated surplus.

9.2.1 Work In Progress for sale (Current Assets)

Work in progress for sale as at 30th June, 2021 was TZS 49,540,724,599 which represents gross expenditure incurred in projects (Bunju Houses and 2-3 Houses in regions) implemented by own source fund whose construction is not yet completed, but will be transferred to inventory once completed and held for sale compared to the previous financial year which was TZS 58,404,254,863. However, the sale of Government houses can be done in two ways, when the house is finished (inventory) or semi-finished (WIP) depending on the preference of the customer. During the year there was a decrease of WIP by TZS 9,171,882,292 as costs of the sales that were recognized during the year after meeting recognition criteria and an addition of TZS 308,352,028 as interest on loan repayment in respect to Bunju houses hence change in WIP during the year is TZS 8,863,530,264.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.2.2 Inventories

Inventories as at 30th June, 2021 increased from TZS 128,356,207 to TZS 4,722,505,944 as a result of transfer of semi-finished Bunju houses from work in progress to inventory and office consumables. The Agency has a policy of selling some houses at the semi-finished level depending on the customer's preferences.

9.2.3 Trade and Other Receivables

Trade and other receivables as at 30th June, 2021 were TZS 65,239,171,198 compared to TZS 57,262,380,326 as at 30th June, 2020. Trade and other receivables as at 30th June, 2021 comprised of rental income from public servant houses, commercial houses tenants, consultancy services and Furniture for leaders house in Dar es salaam and unpaid construction services provided by the Agency to various clients.

9.2.4 Loan and Advance

Loan and advance as at 30th June, 2021 were TZS 110,613,458 which comprises of salary advance in respect to new employees who were not included in government payroll due to late receiving of check numbers from the respective authority compared to the previous financial year which was TZS 64,257,600.

9.2.5 Cash and cash equivalents

Cash and Cash equivalent as at 30th June, 2021 was TZS 13,624,853,644 compared to TZS 13,311,881,604 as at 30th June 2020. This comprises of deposits from different clients whose projects have not been completed and own source funds.

9.2.6 Work In Progress Investment Property (Non-Current Assets)

Work in progress Investment Property (Non-Current Assets) as at 30th June, 2021 increased from TZS 42,652,797,333 to TZS 59,089,166,884. These are costs incurred in projects implemented by own source fund and development grants which have met recognition criteria whose construction is not yet completed, but such expenditure will be transferred to Investment properties once completed such as Simeon Project in Arusha, Magomeni Kota and Bunju Project.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.2.7 Investment Property

The carrying amount of Investment property as at 30th June, 2021 was TZS 428,002,657,427 while TZS 422,585,048,075 was recorded as current value as at 30th June, 2020. The increase is mainly caused by capital expenditure of rehabilitation cost of Government leader's house as investments property during the year.

9.2.8 Property, Plant and Equipment

The carrying amount of Property, Plant and Equipment as at 30th June, 2021 was TZS 18,754,208,241 while TZS 16,752,014,275 was recorded as current value as at 30th June, 2020. The increase is mainly attributed by capital expenditure on government leaders' houses.

9.2.9 Sales of Government Houses Receivables

Sales of Government Houses Receivables are a result of Bunju houses that were constructed by the Agency and other Government houses being sold by the Agency. During the year under review, receivables from sale of Government houses were TZS 6,518,434,722 compared to TZS 1,116,485,509 receivables from sales of previous year 2019/2020. The increase of TZS 5,401,949,214 was caused by the new receivables recorded during the year from Bunju project that were not recorded in the previous financial year.

9.2.10 Intangible Assets

The carrying amount of Intangible Assets as at 30th June, 2021 was TZS 40,537,310 while TZS 105,858,646 was recorded as current value as at 30th June, 2020. The decrease is caused by impairment of the assets.

9.2.11 Trade and Other Payables

Trade and Other Payables as at 30th June, 2021 was TZS 867,196,703 compared to TZS 1,117,512,337 as at 30th June 2020. Trade and Other Payables as at 30th June, 2021 comprised of sundry creditors that provided goods on credit, Bunju claims to be refunded as some customers rejected the offer to buy the house, deferred income resulted from advance payment of public rent after rehabilitation done on the houses by customers.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.2.12 Clients' Deposits

Clients' deposits as at 30th June, 2021 were TZS 2,626,799,304. It consists of receipts from Bunju TZS 746,421,350 as the funds deposited by various customers as down payments for purchase of Bunju houses but they fail to meet recognition criteria under IPSAS 9 and TZS 1,880,377,954 miscellaneous deposit paid by different clients for construction of buildings compared to the previous financial year which was TZS 11,805,974,197.

9.2.13 Provision for Liabilities

During the financial year ended 30th June 2021, there were no new provisions provided for Bad debts. The Agency continue to maintain TZS 1,291,000,000 as the provision for liabilities as it was during the financial year ended 30th June, 2020.

TBA entered into a contract with Said Issa Matta to buy land of 1000 Acres for TZS 2,100,000,000 in 2008/2009. TBA paid advance payment of TZS 1,400,000,000 and remain with the liability of TZS 700,000,000. The Agency reviewed the demand for plots within the Agency after receiving various plots from TAMISEMI and realized that it does not require new land. Therefore, the Agency is in negotiation to formulate addendum of the contract with Issa Said Matta to cease the acquisition of the remaining plots from Issa Said Matta. Once an agreement has been reached, the Agency will write off provision for liability of TZS 700,000,000.

Previously, the agency bought houses which are located at Kurasini and Masaki from ex-NASACO. Unfortunately, some of these houses had cases in court therefore the Agency did not pay TZS 591,000,000 TBA is still waiting for the ruling in order to pay for the houses from Ex-NASACO.

9.2.14 Loan from Financial Institutions

As at 30th June, 2021 there were no loan balance unsettled from financial institutions. Management has successfully made a repayment of TZS 4,183,941,804 as the Loan balance and its interest.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.2.15 Deferred Income (Non-Current Liabilities)

9.2.15.1 Prepaid Public Rent

According to TBA Accounting Manual (Para 4.4.3.1.3), TBA may allow tenant to renovate, repair or modify TBA estates by using tenant funds (See Note 4.2.1.Rental Income). During the year the Agency recognizes the amount of TZS 557,478,490 as Non-current Liabilities used in repair and maintenance by tenants in Investment Properties Buildings compared to the previous financial year which was TZS 621,268,968.

9.2.15.2 Sales Government houses

During the financial year under review, the Agency recognized deferred revenue as non-current liabilities of TZS 2,884,286,306 from sales of Government houses (Bunju). The deferred revenue will be amortized every year as they fall due. Refer Note 44 (a) - Sales of Government Houses

9.2.16 Net Assets/ Equity

Net Asset/Equity as at 30th June, 2021 was TZS 626,865,834,956 as compared to TZS 592,290,322,174 reported as at 30th June 2020. The Agency has favorable equity because has more assets compared to outstanding liabilities.

9.2.17 Accumulated Surplus

For this financial year 2020/2021 the Agency recorded an accumulated surplus of TZS 250,730,787,424 compared to the previous year 2019/2020 TZS 216,155,274,641.

9.3 FINANCIAL PERFORMANCE OVERVIEW

The financial performance describes the general financial operations of the Agency for the particular financial year for this overview is for the financial year under review of 2020/21. The financial performance describes the amount of funds received versus the amount expensed during the year in relation to the annual planned and their respective activities implemented during the financial year 2020/21.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.3.1 Revenue from Non-Exchange Transaction

The agency recognized a total of TZS 32,109,182,088 as Recurrent Grant for Personal Emoluments and Development Grants - Construction and Rehabilitation compared to the previous year 2019/20 TZS 19,159,650,421 of which TZS 4,527,456,455 was for Recurrent Grant as Personal Emoluments, Development Grants - Construction and Rehabilitation TZS 11,736,000,000 and TZS 2,896,193,966 for Capital Grant (Motor Vehicle for Supervision).

9.3.2 Revenue from Exchange Transaction

During the year under review the Agency recognized a total of TZS 57,687,438,962 as revenue from exchange transaction such as Sale of Government House, Rent from Public Servants, Rent from commercial houses, Consultancy Fees and Receipts from Construction Works. The previous financial year the agency recorded a total revenue from exchange transaction of TZS 28,665,942,061

9.3.3 Sale of Government Houses

During the year, the Agency recognized TZS 6,092,829,517 as sales of Government houses, of which TZS 5,095,490,161.78 was recognized as sales from Bunju houses and TZS 997,339,355 as sales from other houses after meeting recognition criteria as per IPSAS 9 and internal procedures outlined in the Accounting Manual and that the contract is binding as per directives issued by legal unit and Attorney General's Office compared to the previous financial year which was TZS 4,362,142,518.

9.3.4 Public Rent

During the year under review, the Agency recognized TZS 4,604,989,028 as public rent compared to TZS 3,591,805,289 recognized in the previous year. The increase of TZS 1,013,183,739.30 was caused by the Agency's mission to provide housing to public servants, hence replaced most of the expired commercial rented houses contracts with public rented houses contracts to fulfill the Agency's mission due to high demand of public servant houses in Dodoma region.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.3.5 Commercial Rent

During the year under review, the Agency recognized TZS 3,421,881,450 as commercial rent compared to TZS 11,725,153,117 recognized in the previous year 2019/2020. The decrease of TZS 8,303,271,666.26 was caused by the 57 commercial tenants of USD who vacated because of high rental charges of which TBA expected to recognize revenue of TZS 3,014,004,412. The Agency conducted market surveys and its houses which were rated in US Dollars were changed into Tanzanian Shillings but not equivalent to prior rates. The changes resulted into drastic change of commercial rates to some houses.

Also, TBA returned houses to STAMICO and TANTRADE which were used by TBA. The return of these houses to respective institutions result into drop page of revenue for the period.

There is a pending case between TBA versus Tanzania Portland Cement -Wazo Hill tenants. Due to the pending case of which no contracts are signed which result into nil revenue from some of Wazo hill tenants, Management decided not to recognize revenue for the period until the final ruling.

Following dilapidated houses of TBA, management decided to rehabilitate its dilapidated houses by not renewing contracts to tenants in order to facilitate maintenance and rehabilitation.

Hence result into significant drop of revenue for the year 2020/2021. Once the rehabilitation is completed, revenue for the respective period will increase.

9.3.6 Consultancy Fees

During the year under review, the Agency recognized TZS 9,036,252,105 as consultancy fees compared to TZS 5,141,776,403 recognized in the previous year 2019/2020. The Agency recognized an increase of TZS 3,894,475,702 as consultancy fees compared to the previous financial year 2019/2020. The increase was caused by new signed consultancy projects and new fee notes raised during the year.

9.3.7 Receipts from Construction Works

During the year under review, the Agency recognized receipts of TZS 2,360,252,084 from construction works compared to TZS 3,845,064,734 recognized in the previous year.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

The reduction in construction works caused the decrease in receipts. Reduction in construction works was caused by the decision of the Government to open room to private contractors to construct Government houses which increased competition between public and private contractors.

9.3.8 Operating Expenses

For the financial year 2020/21 the agency recognized a total of TZS 23,111,926,180 as operating expenses in favor of construction costs incurred during the construction of Bunju houses, Wages and Salaries, Supplies and consumable goods, Maintenance expenses, Finance Cost and Other expenses. Comparing to the previous financial year, the Agency recorded the total of TZS 25,488,568,444.

9.3.9 Wages, Salaries and Employee Benefits

During the financial year the Agency spent TZS 9,726,802,501 as Personal Emolument and other personal allowances as compared to TZS 9,529,299,539 spent in the previous year, this expenditure comprises of salaries, wages, personal allowances such as leave travel, housing, moving expenses, health costs burial, special allowances hardship and staff uniforms, the increase wages, salaries and employee benefit was due to increase number non-pensionable staff.

9.3.10 Supplies and Consumable Goods

An amount of TZS 4,123,225,030 was spent during the year to facilitate expenditure on supplies and consumable goods compared to TZS 4,548,620,445 which was spent in the year 2019/20, the decrease in this expenditure was due to decrease in the operating activities in this class of expenditure.

9.3.11 Maintenance Expenses

An amount of TZS 242,846,188 was spent for routine maintenance and repair of buildings, equipment and motor vehicles during the year 2020/21 as compared to TZS 1,359,290,885 which was spent on the year 2019/20, the decrease in this expenditure was due to decrease in the maintenance activities in this class of expenditure.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.3.12 Finance Cost

An amount of TZS 123,408,925 was spent as bank charges and routine maintenance of bank accounts during the year 2020/21 as compared to TZS 121,730,487 which was spent in the year 2019/20, the decrease was due to new use of Mfumo wa Uhasibu/Ulipaji Serikalini (MUSE), a system introduced by Ministry of Finance and Planning which eliminates the cost of bank charges for Government Institutions including TBA. The Agency started using MUSE on 1st October 2020, where TBA transactions were centrally managed and paid directly to commercial banks by Bank of Tanzania via Electronic Fund Transfer Account.

9.3.13 Depreciation

Depreciation amounting to TZS 3,930,324,355 charged on Non-current assets of the Agency during the financial year 2020/21 while TZS 5,219,209,045 was charged in the financial year 2019/20, the drastic decrease was caused after reviewing the useful life of the Agency's assets since they are still in use.

9.3.14 Construction costs - Government houses sold

During the reporting period, TZS 4,585,941,146 was recognized as construction costs in respect of sales of Bunju houses recognized while in the year 2019/20, the Agency recognized TZS 3,925,928,267 as construction costs. There is a relative relationship between sales and costs as the more sales are recognized the more costs are recognized and vice versa.

9.3.15 Other Expenses

During the reporting period, TZS 379,378,035 was spent as other charges compared to TZS 784,489,775.00 spent last year, the decrease in expenditure was caused by low cost incurred for other expenses. Elements of other expenses includes plumbing, supplies and fixtures, satellite access service, revenue collection expenses, social responsibility, title deeds, small tools and implements.

9.3.16 Surplus for the Period

During the financial year 2020/21 the Agency was able to successfully record a surplus of TZS 34,575,512,782 which is higher compared with the previous restated financial year's



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

surplus of TZS 22,457,608,230. Restatement of the previous Financial Statement for the year 2019/2020 was caused by the prior year error that had to be corrected retrospectively in the first set of financial statement authorized for issue after their discovery.

9.4 CASH FLOW STATEMENT

9.4.1 Receipts

During the financial year 2020/21 the Agency received TZS 84,638,032,648 as inflow from operating activities compared to TZS 76,746,988,604 from 2019/20, the increase in the collection of revenues increased after enforcement of various debt collection procedures.

9.4.2 Recurrent grants

During the year under review, the Agency received a total of TZS 4,758,632,491 as personal emoluments compared to TZS 4,527,456,455 that was received in the previous financial year 2019/2020. The increase in personal emolument was caused by new pensionable employees that were recruited during the year.

9.4.3 Receipts from Sales of Government Houses

Receipts from Sales of Government Houses as at 30th June, 2021 was TZS 1,165,857,077 compared to TZS 581,489,166 as at 30th June 2020. These receipts resulted from sale of Bunju houses and other government houses after enforcing debt collection procedures.

9.4.4 Receipt from Sales of Government Houses (Down payment)

These are funds deposited by various customers with an aim of purchasing Bunju houses and other Government houses but failed to meet sales recognition criteria. During the year under review a total of TZS 558,927,926 was deposited as down payment for sale of government houses which comprises Bunju houses TZS 266,827,926 and TZS 292,100,000 in respect to other Government houses compared to the previous financial year which was TZS 896,580,250.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.4.5 Contract works - Clients

During the year TZS 29,345,059,133 was received in respect to contract works from various Government clients compared to the previous financial year which was TZS 41,492,070,636. This amount represents all the funds received from the client for the purpose of construction out of the Agency's subvention budget. Precisely, all funds which fall under this line item of "Contract work - Clients" are neither consider as Agency's fund nor Agency's Projects, that is why neither fund from this category has been seen in line item of the Cash flow from investing activities nor did financing activities in the Cash Flow Statement end June, 2021

9.4.6 Development Grants

During the financial year under review, the Agency received a total of TZS 34,638,903,053 as development grants from Ministry of Works and Transport (Works) compared to the previous financial year which was TZS 12,674,685,957. The grant was to execute different projects like Magomeni Kota project and Rehabilitation of Leaders' Houses. Currently, grants received from MoWT for development projects are accounted for on a cash basis i.e., if the whole budgeted amount is not received; the unreleased amount is not recognized as receivables in the Statement of Financial Position, the shortfall, if any is reflected in the Statement of Comparison between budget and actual.

9.4.7 Payments

During the financial year 2020/21 the Agency paid a total of TZS 51,871,580,632 in favor of operating activities compared to the previous financial year where by the Agency paid a total of TZS 58,553,704,115.

9.4.8 Contract works Expenditure - Clients

Contract works Expenditure - clients are expenditures that resulted from implementation of design and buildings projects. During the year TZS 37,007,002,376 was actually spent compared to the previous financial year which was TZS 41,968,090,196. Precisely, all funds which fall under this line item of "Contract work Expenditure- Clients" are neither consider as Agency's fund nor Agency's Projects, that is why neither fund from this



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

category has been seen in line item of the Cash flow from investing activities nor financing activities in the Cash Flow Statement ended June, 2021.

9.4.9 Net Cash Flows from Operating Activities

For the financial year under review the agency recorded a net of TZS 32,766,452,016 as net cash from operation activities compared to the previous financial year which was TZS 18,193,284,489.

9.4.10 Net Cash Flows from Investing Activities

During the year 2020/2021 the Agency spent a total of TZS 28,062,173,456 on different investing activities due to acquisition of Property Plant and Equipment and renovation of the Agency's Investment Properties compared to the previous financial year which was TZS 11,904,735,996.

9.4.11 Net Cash Flows from Financing Activities

During the year under review the Agency paid a total of TZS 4,391,306,520 as repayment of loan from financial institutions which are CRDB Bank and TIB Bank compared to the financial year of 2019/20 in which the Agency paid a total of TZS 5,257,904,200.

9.4.12 Refund from Sales of Government Houses (Down payment)

For the case of denied offers, the Agency shall charge cancellation cost and will be reflected in the Agency's financial statements. During the year the Agency refunded TZS 96,550,160 to various customer as denied offers in respect to Bunju houses compared to the previous financial year which was TZS 31,836,000.

9.5 COMPARISON BETWEEN BUDGET AND ACTUAL

9.5.1 Receipts

In the year ended 2020/21, a total amount of TZS 118,910,495,247 was budgeted by the Agency as total receipts from own source and grants. During the year under review, the Agency actually collected and received a total of TZS 84,638,032,648 (29% lower than budgeted) because no loan was taken from financial institutions during the year. Also, the



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

low collection was due to small release of the Government subvention and challenging business environment caused by eruption of pandemic disease COVID -19 leading to lower amount of revenues collected from own sources (Consultancy Fee) which have contribute to slow performance of the Agency's own projects and even some of its recurrent activities.

9.5.2 Payments

In the year ended 2020/21, a total amount of TZS 118,910,495,247 was budgeted by the Agency as total payments from own source and grants. During the year under review, the Agency actually spent a total of TZS 84,325,060,608.

9.5.3 Development Grant

Development grants during the year 2020/2021 had a budget of TZS 60,256,856,000. This represents all the funds of construction which have been budgeted in the Agency's Subvention or grant where the Agency receives fund directly from the Ministry of Work and Transport in order to implement such projects on behalf of the Ministry, thus, neither the fund received nor the project belong to the Agency's investing activities as a result such fund is categorized as Client's fund through Agency's budget. However during the year TZS 34,638,903,053 was received to implement strategic development projects including Magomeni Kota from which TZS 27,398,679,800 was actually spent.

9.6 CONTINGENT LIABILITIES/ASSETS

9.6.1 CONTINGENT LIABILITIES

As at 30th June, 2021, the Agency had various contingent liabilities arose from its operations. These contingent liabilities are mentioned below;

- I. As at 30th June, 2021 contingent liabilities are amounting to TZS 210,814,202 related to civil proceedings.
- II. Tax assessment liability of TZS 6,986,794,187 by Tanzania Revenue Authority (TRA) for tax audit conducted in respect of FY 2013/14 and 2014/15.
- III. An Interest charged on late payment to suppliers TZS 1,118,292,182.20 for the Procurement of steel bar and marine boards at Magomeni Kota projects.
- IV. Projects creditors totaled to TZS 14,431,750,611.12 that may arise depending on nature of TBA's projects operations.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

9.6.2 CONTINGENT ASSETS

As at 30th June, 2021, the Agency had various contingent assets arisen from its operations.

These contingent assets as mentioned below;

- i. The Agency has disclosed TRA seizure of TZS 1,823,605,771 from different accounts of TBA and disclosed such amount as a contingent asset in the overall portfolio of clients' projects.

The agency disclosed the event as contingent assets because of the following prevailing conditions;

- Accordance to Reg. 21 (4) (a)-(b) of Tax Administration (General Regulation), 2016 requires that, upon receiving the responses under this regulation the commissioner General shall (a) discuss the findings and responses within the person audited and (b) upon finalization of the discussion, issue "Final Audit Report" It states that before you have given an assessment you must receive a final audit report from TRA

-The agency filed the matter to Solicitor General for ruling because the amount seized was supposed to be used to execute projects for different clients which will cause the projects to fail if the amount is not returned. Thus, the Solicitor General's decision will determine the amount of money that can be refunded to TBA. That is why the Agency has disclosed it as a Contingent Asset.

- ii. Existence of legal litigation that may arise from ongoing High court case of Ms. Royale Orchard Inn Ltd VS TBA whereby there might be probable and significant future cash inflow and outflow, due to the fact that the amount owed to and from is still on negotiation between the parties.
- iii. As at 30th June, 2021 contingent assets are amounting to TZS 358,335,115 related to civil proceedings.



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

Table 11 below shows settled cases during the financial year 2020/2021

SETTLED CASES DURING THE YEAR UNDER REVIEW (2020/2021)		
S/N	CASE NUMBER	INVOLVED PARTIES
1	92/2016	MIC (T) LIMITED vs. TANZANIA BUILDINGS AGENCY
2	652/2016	Ms. Msae Investment vs. Commissioner for land
3	73/2021	TZ Portland Cement v. Chief Executive TBA
4	337/2015	Thabitha Mgabe Magothi V. Leonia Izengo, Johnson Sengo, TBA, Commissioner for Lands & AG
5	222, 223 &	TBA vs. TRA
6	74/2020	TBA vs. TRA
7	79/2019	JEK Security vs. TBA
8	71/2017	Bertha Iyimo & others vs. TBA & RAHCO
9	156/2020	Joseph Chedengo & 48 Others v. TBA
10	01/2017	Philemon Burchard vs. TBA
11	30/2016	Godlisten Masha vs. TBA
12	74/2016	Hussein Ndulu vs. TBA
13	78/2016	Lawrence Msindo vs. TBA
14	33/2016	Hamisi Mohamed vs. TBA
15	77/2016	Modest Kimaro vs. TBA
16	81/2020	Athuman Shaaban & 33 Others v. TBA
17	286/2020	Tanzania Portland Cement Company Limited vs. The Treasury Registrar, Ministry of Works, Transport and Communication, Tanzania Buildings Agency & Attorney General
18	121/2020	IAL Safety & General Mercantile vs. AG & TBA
19	Review No. 314/12/2020	AG vs. Mwahezi Mohamed & Others
20	54/2019	TRA & TBA vs. Sylvester Koko na mwerzake
21	8/2019	Despina Ntepi Spyrtatos & Another vs. Tanzania Buildings Agency (TBA)
22	4/2020	Cornel Mwakisopile & Others vs. TBA
23	46C/2020	Frank Ngowi vs. TBA



COMMENTARY ON THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

Table 12 below shows on going cases as at 30th June 2021

CASES ON PROGRESS

S/N	CASE NUMBER	INVOLVED PARTIES
1	101/2018	Mt. Uluguru Hotels Ltd Vs Tanzania Buildings Agency & Cotex Industrial
2	168/2018	MS NANDHRA Vs Ministry of Home Affairs Na TBA
3	156/2019	Josephine Shirima vs. TBA
4	43/2012	Joseph Mighay Baynit Vs. Babati Town Council, Wilfred Mushi, TBA & Anna Tegulo
5	05/2020	Hassan Limbu Mgutu, Mashaka Dachi & 161 Others vs. TBA & AG
6	156/2020	TRA & TBA vs. Sylvester Koko na mwenzake
7	95/2016	Tanzania Portland cement vs. TBA
8	125/2020	Industrial Safety and General Merchantile Ltd vs. TBA & AG
9	258/2020	TBA vs. Bright Venture Ltd
10	133/2020	Hassan Yusuph Makumalu vs. TBA
11	553/2019	Nelson Mbwiro & Another vs. TBA
12	25/2021	MM Industries Ltd v. TBA & AG
13	12/2020	Stanslaus Kalokola v. TBA, Mwanza City Council
14	08/2019	Despina Ntepi Spyratos & Another vs. Tanzania Buildings Agency (TBA)
15	63/2013	AG V. Prime Asset
16	640/2021	Farida Kagaruki & Another v. Domina Kagaruki, TBA, Elius Mwakalinga, Commissioner for Lands & AG



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10 STATEMENT OF FINANCIAL POSITION

As at 30th June, 2021

	Note	2020/2021	2019/2020* RESTATED ¹ TZS
ASSET			
Current Assets			
Work in Progress (For sale)	21	49,540,724,599	58,404,254,863
Inventories	22	4,722,505,944	128,356,207
Prepayments	46	10,393,352	-
Trade and other Receivables	23	65,239,171,198	57,262,380,326
Loan and Advance	24	110,613,458	64,257,600
Cash and cash Equivalent	25	13,624,853,644	13,311,881,604
Total Current Asset		133,248,262,194	129,171,130,600
Non-Current Assets			
Work in Progress	49	59,089,166,884	42,652,797,333
Sales of Government Houses Receivables	39	6,518,434,722	1,116,485,509
Investment Property	49	428,002,657,427	422,585,048,075
Property, plant and equipment	49	18,754,208,241	16,752,014,275
Intangible asset	49	40,537,310	105,858,646
Total Non current Asset		512,405,004,585	483,212,203,837
TOTAL ASSET		645,653,266,779	612,383,334,437
LIABILITIES			
Current Liabilities			
Trade and other Payables	27	867,196,703	1,117,512,337
Clients' Deposits	28	2,626,799,304	11,805,974,197
Deferred Revenue	44a	2,333,631,607	134,629,000
Deferred Grant	45	8,227,039,414	938,685,957
Provision for liabilities	29	1,291,000,000	1,291,000,000
Loan From Financial Institutions	30	-	4,183,941,804
Total Current Liabilities		15,345,667,027	19,471,743,295
Non-Current Liabilities			
Deffered Revenue	44b	3,441,764,796	621,268,968
Total Non-Current Liabilities		3,441,764,796	621,268,968
TOTAL LIABILITIES		18,787,431,823	20,093,012,263
NET ASSETS		626,865,834,956	592,290,322,174
NET ASSETS			
Tax payer's Fund	31	376,135,047,532	376,135,047,532
Accumulated Surplus	32	250,730,787,424	216,155,274,641
TOTAL NET ASSET		626,865,834,956	592,290,322,174

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11 STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30th June, 2021

	Note	2020/2021	2019/2020* RESTATED*
			TZS
Revenue			
Revenue from Non Exchange Transaction			
Recurrent Grant	9	4,710,502,288	4,527,456,455
Development Grants	34 (a)	27,398,679,800	11,736,000,000
Capital Grants	34 (b)	-	2,896,193,966
Total Revenue from non Exchange Transaction		32,109,182,088	19,159,650,421
Revenue from Exchange Transactions			
Sale of Government Houses	42	6,092,829,517	4,362,142,518
Public Rent	10	4,604,989,028	3,591,805,289
Commercial Rent	11	3,421,881,450	11,725,153,117
Consultancy Fees	12	9,036,252,105	5,141,776,403
Receipts from Construction Works	13	2,360,252,084	3,845,064,734
Total Revenue from Exchange Transactions		25,516,204,185	28,665,942,061
Miscellaneous Income	14	48,863,677	52,266,795
Gain on foreign exchange Transactions	41	13,189,012	68,317,396
Total Revenue		57,687,438,962	47,946,176,673
Expenses			
Construction costs - Government Houses Sold	43	4,585,941,146	3,925,928,267
Wages, salaries and employee benefits	15	9,726,802,501	9,529,299,539
Supplies and consumables used	16	4,123,225,030	4,548,620,445
Maintenance expenses	17	242,846,188	1,359,290,885
Finance Cost	18	123,408,925	121,730,487
Depreciation Expenses	19	3,930,324,355	5,219,209,045
Other expenses	20	379,378,035	784,489,775
Total Expenses		23,111,926,180	25,488,568,444
Surplus For the Period		34,575,512,782	22,457,608,230

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12 STATEMENT OF CHANGES IN NET ASSET/EQUITY
For the year ended 30th June, 2021

	Tax payer's Fund	Accumulated Surplus/Deficit	Total
	TZS	TZS	TZS
At 30th June 2019	376,135,047,532	193,697,666,412	569,832,713,945
At 1st July 2019	376,135,047,532	193,697,666,412	569,832,713,945
Surplus for the year ended 30th June 2020 "Restated"	-	22,457,608,230	22,457,608,230
Balance At 30th June 2020	376,135,047,532	216,155,274,642	592,290,322,174
At 1st July 2020	376,135,047,532	216,155,274,642	592,290,322,174
Surplus for the year ended 30th June 2021	-	34,575,512,782	34,575,512,782
Balance At 30th June 2021	376,135,047,532	250,730,787,424	626,865,834,956

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13 CASHFLOW STATEMENT
For the year ended 30th June, 2021

	Note	2020/2021	2019/2020 ^{**} RESTATED [*]
		TZS	TZS
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Recurrent Grant	9	4,758,632,491	4,527,456,455
Receipts from Sales of Government Houses	33	1,165,857,077	581,489,166
Public Rent	33	2,625,632,402	2,275,485,977
Commercial Rent	33	3,555,721,667	3,473,639,417
Consultancy Fees	33	5,580,183,137	6,884,332,342
Receipts from Construction Works	33	2,360,252,084	3,845,064,734
Receipt from Sales of Government Houses (Down payment)	33	558,927,926	896,580,250
Contract Works Client	37	29,345,059,133	41,492,070,636
Development Grants	34	34,638,903,053	12,674,685,957
Miscellaneous Income	35	48,863,677	96,183,670
Total receipts		84,638,032,648	76,746,988,604
<i>Payments</i>			
Wages, salaries and employee benefits	36	(9,667,277,159)	(9,529,299,539)
Supplies and consumables used	36	(4,141,811,874)	(4,825,256,490)
Maintenance expenses	36	(258,417,848)	(1,314,829,206)
Finance Cost	36	(123,408,925)	(121,730,487)
Other expenses	36	(577,112,290)	(762,662,197)
Refund from Sales of Commercial Houses (Down payment)	28	(96,550,160)	(31,836,000)
Contract works Expenditure - Clients	37	(37,007,002,376)	(41,968,090,196)
Total Payments		(51,871,580,632)	(58,553,704,115)
Net Cash flows from operating Activities		32,766,452,016	18,193,284,489
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property Plant and Equipment	49	(3,263,743,264)	-
Investment Properties	49	(7,952,721,301)	-
Work In Progress	21	(16,845,708,891)	(11,904,735,996)
Net Cash flows from investing Activities		(28,062,173,456)	(11,904,735,996)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from Financial Institutions Repayment	38	(4,391,306,520)	(5,257,904,200)
Net cash flows from financing activities		(4,391,306,520)	(5,257,904,200)
Net Increase/(Decrease)in cash and cash equivalent		312,972,040	1,030,644,293
Cash and cash equivalent at the beginning of the period		13,311,881,604	12,281,237,310
Cash and cash equivalent at the end of period		13,624,853,644	13,311,881,604


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14 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
For the year ended 30th June, 2021

Details	Original Budget	Final Budget	Actual Amount on Comparable Basis	Variance	Performance
	TZS	TZS	TZS	TZS	%
Receipts					
Recurrent Grant	9,931,886,994	9,931,886,994	4,758,632,491	5,173,254,503	48%
Receipts from Sales of Government Houses	175,025,561	175,025,561	1,165,857,077	(990,831,516)	666%
Public Rent	2,003,006,592	2,003,006,592	2,625,632,402	(622,625,810)	131%
Commercial Rent	9,589,199,454	9,589,199,454	3,555,721,667	6,033,477,786	37%
Consultancy Fees	22,716,052,658	22,716,052,658	5,580,183,137	17,135,869,521	25%
Receipts from Construction Works	11,344,612,616	11,344,612,616	2,360,252,084	8,984,360,532	21%
Receipt from Sales of Commercial Houses (Down payment)	2,402,375,430	2,402,375,430	558,927,926	1,843,447,504	23%
Contract works- Clients	-	-	29,345,059,133	(29,345,059,133)	-
Loan From financial institution- Development	-	-	-	-	-
Development Grants	60,256,856,000	60,256,856,000	34,638,903,053	25,617,952,947	57%
Miscellaneous Income	491,479,943	491,479,943	48,863,677	442,616,265	10%
Total Receipts	118,910,495,247	118,910,495,247	84,638,032,648	34,272,462,599	29%
Payments					
Wages, salaries and employee benefits	(17,850,807,851)	(17,850,807,851)	(9,667,277,159)	(8,183,530,692)	54%
Supplies and consumables used	(7,898,125,673)	(7,898,125,673)	(4,141,811,874)	(3,756,313,799)	52%
Maintenance expenses	(449,866,598)	(449,866,598)	(258,417,849)	(191,448,749)	57%
Finance Cost	-	-	(123,408,925)	123,408,925	-
Other expenses	(9,484,012,597)	(9,484,012,597)	(577,112,290)	(8,906,900,308)	6%
Contract works Exp - Clients	-	-	(37,007,002,376)	37,007,002,376	-
Refund from Sales of Commercial Houses (Down payment)	-	-	(96,550,160)	96,550,160	-
Loan Repayment	(3,482,125,627)	(3,482,125,627)	(4,391,306,520)	909,180,893	126%
Development Exp - Grant	(60,256,856,000)	(60,256,856,000)	(27,398,679,800)	(32,858,176,200)	45%
Development Exp - Loan	-	-	(308,352,028)	308,352,028	-
Development Exp - Ownsource	(19,488,700,901)	(19,488,700,901)	(355,141,628)	(19,133,559,274)	2%
Total Payments	(118,910,495,247)	(118,910,495,247)	(84,325,060,608)	(34,585,434,639)	71%
Net Receipts			312,972,040	(312,972,040)	

See Note 48 for reason of variation and Reconciliation of Cash Flow and Budget


Arch. Daud W. Kondoro
CHIEF EXECUTIVE


Alby Juma Kiko
Ag. MANAGER FINANCE/ACCOUNTS



The accompanying notes are an integral part of the financial statements

15 NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021

1. GENERAL INFORMATION

The Tanzania Buildings Agency (TBA) was established under section 3(1) of the Executive Agencies Act No 30 of 1997 and became operational on 17th May 2002. The Tanzania Buildings Agency operates as semi-autonomous Executive Agency under the Ministry of Works, Transport and Communication.

2. BASIS OF PREPARATION

The Financial statement comprise of Statement of Financial Position, Statement of Financial Performance, Statement of Change in Net Asset, Statement of Cash Flow, Statement of Comparison of Budget and Actual Amount and Notes to the Financial Statements. These Financial statements have been prepared on a going concern basis.

The Statement of Cash Flows is prepared using the *direct method*. The financial statements have been prepared on the accrual basis.

2.1 Authorization Date

The financial statements will be submitted to the Controller and Auditor General (CAG) on or before 30th September 2021 and will be authorized for issuance after being tabled on and discussed by the Parliament on or by 31st March 2022.

2.2 Statement of Compliance

The Agency's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standard (IPSAS) Accrual Basis of Accounting as issued by the International Public Sector Accounting Standard Board (IPSASB).



2.3 Functional and presentation currency

These financial statements are presented in Tanzania Shillings (TZS), which is the Agency's functional and presentation currency.

3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

The Agency recognized the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

3.1 CHANGE IN ACCOUNTING ESTIMATES

During the financial year 2020/2021 the Agency review the useful lives of Intangible Assets as per IPSAS 31 Intangible Asset Para 101 and Property Plant and Equipment according to IPSAS 17 Property Plant and Equipment Para 67.

The Agency treat the change in Accounting Estimates as per IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors Para 37-45 and disclosed the change in Note 4.4 for Property Plant and Equipment and Note 4.6 for Intangible Asset.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies outlined below have been consistently applied to all the years presented.

4.1 Foreign Currency Transactions - IPSAS 4

Transactions in foreign currencies are initially accounted for at ruling rate of exchange on the dates of the transaction. They were translated in to Tanzanian Shillings (TZS) at the exchange rate ruling at the dates of the transactions. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date in accordance with IPSAS 4.

The Exchange differences arising from the settlement of such transactions and from translation at the reporting date exchange rates are generally recognized in the profit and loss account. During the year under review there was TZS 13,189,012.05 that resulted from exchange gain.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

4.2 Revenue Recognition

4.2.1 Revenue from Exchange Transaction - IPSAS 9

Sources of revenue of the Agency include sale of government houses, rental income (special properties and public servants rent), consultancy fee and construction services. Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Agency and that revenue can be reliably measured in according with IPSAS 4. The following specific recognition criteria must also be met before revenue is recognized:

i. Sale of government houses

Revenue from the sale of government houses is recognized when the significance risk and rewards of ownership have been transferred to buyer/ usual on delivered of goods and when the amount of revenue can be measured reliably and it's probable that the economic benefit or service potential associated with transaction will flow to Agency.

- Recognition of Sale of Government Houses

In accordance with IPSAS 9.28 revenue from the sale of goods is recognize when all of the following conditions are satisfied;

- i) The Agency has transferred to the buyer both the significant risks and rewards of ownership of the goods.
- ii) The Agency retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- iii) The amount of revenue can be measured reliably
- iv) It is probable that the economic benefit (funds received) associated with the transaction will flow to the entity; and



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

- v) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

The Agency will recognize sales of Government Houses to Public servants after ascertain that Sales of house contract agreement with Public servant has been signed in accordance with internal procedures outlined in the Accounting Manual.

The Sales of Government Houses will be measured at Cost of Land and Construction Cost plus additional 10%.

The Sales of Government Houses will be recognized and presented in the financial statement in the financial year in which the sales contract has been signed, and the buyer of the house will be termed as Sales of the Government house Debtors.

The Agency Policy requires the buyer of Government house to make down payment of 10% of the sales value at the signing of Contract, the buyer of Government house is also required to pay 40% of the sales value within the first year of Sales of Government house, while the remaining 50% will be paid in the subsequent period as agreeable in the sales contract.

The Agency recognizes sale of Government house during the first year (50%) in statement of financial performance as sales and the remaining amount in the statement of financial position as receivable in current asset and deferred Revenue in Non-current liabilities. The deferred revenue will be amortized every year as they fall due.

Repossession and Refund

The Agency shall repossess the Government House sold, if and only if the conditions mentioned on the contract for sale has not been fulfilled and the prospective customer has denied an offer hence the Agency shall be liable to make a refund to the prospective



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

customer as per condition stipulated in the contracts and Agency Directive (Manuals and circulars).

For the case of denied offers, the Agency shall charge cancellation cost and will be reflected in the Agency's financial statements.

During the Year the Agency has refunded TZS 96,550,160.00 to various customers as a denied offers.

ii. Rental Income

Rental income from investment property is recognised on straight line basis over the period of the lease. It includes special and public rent.

- Tenant Advance rent used in repair and maintenance of Government Houses

The Agency will recognize the amount of repair and Maintenance of buildings in Investment Properties on Non-Current Assets or in statement of performance as expense. The 50% of repair and Maintenance by Tenants will be amortized every year as they fall due as rent for the year. The remaining 50% will be paid by the tenants every month until the period allowed end.

During this financial year the Agency Recognised Repair and Maintenance of buildings by tenants on behalf of the Agency as Capital expenditure. Repair and Maintenance of buildings made by tenants in Mtwara and Arusha regions amounting to TZS 68,341,773.00. The Agency recognized Rent in Advance (current liability) TZS 105,419,751 and Rent in Advance (Non - current liability) TZS 557,478,490 - which will be realisable in the next 24 months after reporting date)

The above treatment is in line with TBA internal procedure manuals as well as International Public Sector Accounting Standard IPSAs dealing with Revenues and Investment Properties.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

iii. Rendering of services - Consultancy fee:

The Agency recognized revenue from rendering of services by reference to the stages of completion when the outcome of the transaction can be estimated reliably (through Certificate raised). A stage of completion is measured by the reference to survey of work performed.

iv. Construction Contracts-

The Agency was registered by the Contractors Registration Board (CRB) of Tanzania in September, 2012. By virtue of this registration the Agency has legal capacity to carry out construction works.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims to extent that it is probable that they will result in revenue and can be measured reliably.

The revenue from construction contracts is recognized in proportional to the stage of completion of the contract if the outcome of construction contract can be estimated reliably. The stage of completion is assessed with reference to the survey of work performed. Otherwise, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

Contract expenses are recognised as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

4.2.2 Revenue from Non-exchange Transaction - IPSAS 23

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Entity and the revenue can be reliably measured in accordance with IPSAS 23. The following specific recognition criteria must also be met before revenue is recognized:



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Government grants: IPSASs 23 requires all grants or any other receipt from non-exchange transaction to be recognized in full as revenue and should appear in a statement of financial performance unless liability is recognized in respect of the same inflow. Government grants whose primary condition is that the Agency should purchase, construct or otherwise acquire non-current assets are recognized as revenue in the statement of financial performance except to the extent that a liability is also recognized in respect of the same inflow.

4.3 NON-CURRENT ASSETS HELD FOR SALE

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

4.4 PROPERTY, PLANT AND EQUIPMENT (PPE) - IPSAS 17

PPE are initially recorded at cost, which includes the purchasing price and costs directly attributable to bring them to the location necessary for them to be capable of operating in the manner intended by management.

In accordance with IPSAS 17, other items of PPE are reported at cost less accumulated depreciation and accumulated impairment, if any. Repairs and maintenance costs, if not adding to the useful life of PPE, are charged to the Statement of Financial Performance during the financial period in which they are incurred.

The carrying amount of an item of PPE shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognizing of an item PPE is included in the Statement of Financial Performance when the item is derecognized, unless where IPSAS requires otherwise on a sale and lease back.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Land is not depreciated; however; one of the fundamental principles of the land Policy that has been incorporated in the Government of Tanzania's Land Act, 1999 is that when one is assessing compensation of land, one of the factors to consider is the market value of the land / real property.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation are charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life as follows:

The assets residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

During the financial year under review, the Agency reviewed the useful lives of the assets because they are fully depreciated but still in use and changed the depreciation rate after review as follows according to IPSAS 17 Property, Plant and Equipment Paragraph 67 and Accounting Circular no. 7 of 2020/2021;

Table 11: Old and Reviewed Asset Useful lives and Depreciation Rate

DESCRIPTION	DEPRECIATION RATE (OLD)	USEFUL LIFE - YEARS (OLD)	DEPRECIATION RATE(REVIEWED)	USEFUL LIFE - YEARS(REVIEWED)
Buildings	2%	50	2%	50
Office Furniture	10%	10	8%	12.5
House Hold Furniture	12.5%	8	5%	20
Office Equipment	6.7%	15	8%	12.5
Household Equipment	6.7%	15	8%	12.5
Machinery	6.7%	15	8%	12.5
Motor Vehicle	20%	5	6%	16.7
Computer Equipment	25%	4	5%	20

The Effect of change of useful lives to the Financial Statement is as follows:



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Old Depreciation	TZS 1,427,954,332.93
New Depreciation	<u>TZS 1,261,549,297.54</u>
Saving Depreciation	<u>TZS 166,405,035.39</u>

4.5. IMPAIRMENT OF ASSETS - IPSAS 26

The Agency 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 Agency makes an estimate of an asset's recoverable service amount. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The Agency derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. 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 assets) is included in the statement of financial performance when the asset is derecognized

4.6. INTANGIBLE ASSETS - IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful life of the intangible assets is assessed as finite. Intangible assets with a finite life are amortized over its useful life as follows:



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Table 12: Intangible Asset Useful Life

Description	Year
Software	04-20

Intangible assets which a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in statement of financial performance as the expense category that is consistent with the future of the intangible asset.

Gains or losses arising from de-recognition of an intangible assets are measured as the different between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of financial performance when the asset is derecognized.

During the financial year, the Agency performed an Impairment test (IPSAS 26-Impairment of Cash Generating Assets and IPSAS 31-Intangible Assets). One of the assets (EPICOR) was found obsolete because during the year the Agency stopped using that software and began to use MUSE. Also, the Agency reviewed the useful lives of Intangible Assets from 4years to 10years and the effect of change of useful lives and impairment to the Financial Statement is as follows:

Old Depreciation	TZS 105,858,646.00
New Depreciation	<u>TZS 65,321,335.25</u>
Saving Depreciation	<u>TZS 40,537,310.44</u>



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

4.6.1 LEASES - IPSAS 13

4.6.2 THE AGENCY AS A LESSEE

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Agency. Operating lease payments are recognized as an operating expense in the statement of financial performance on a straight line basis over the lease term.

4.6.3 THE AGENCY AS A LESSOR

Leases in which the agency does not transfer substantial all the risks and benefits of ownership of an 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.

Rent received from an operating lease is recognized as income on a straight line basis over the lease term. The contingent rents are recognized as revenue in the period in which they are earned.

4.7. INVESTMENT PROPERTY (IP) - IPSAS 16

Investment Property is the property held by the Agency to earn rentals or for capital appreciation or both rather than for use in production or supply of goods or services or for administrative purpose or sale in the ordinary course of operation.

IP are recognized as an asset when and only when it is probable that future economic benefit or service potential that are associated with the investment property can be measured reliably.

In accordance with IPSAS 16, IP are measured initially at cost at the date when the construction or development is complete if it is self-constructed investment property. When an investment property is acquired through a non-exchange transaction its cost is measured



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

at its fair value as at that date of acquisition. And if it is purchased, the cost of IP comprise its purchase price and direct attributable expenditures such as professional fee for legal services, property transfer taxes and other transaction cost.

Repair and maintenance cost if not adding to the useful life of IP are charged to the Statement of Financial Performance in a period in which they are incurred.

After initial recognition the Agency measure it's IP by using cost model.

5. CASH AND CASH EQUIVALENTS - IPSAS 2

Cash comprises cash on hand and demand deposits with banks. Cash equivalents comprise investments in money market instruments with maturity periods of three months or less from the date of acquisition.

6. INVENTORIES - IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and current replacement cost. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Agency.

The cost of Inventory is based on FIFO basis. Provision for obsolete /damaged stock is made at 100% of the value of obsolete /damaged stock identified during the year end stock taking. During the year under review, there was no provision to inventory.

6.1 PROVISIONS - IPSAS 19

Provisions are recognized when the Agency has a present obligation (legal or constructive) a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Where the Agency expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement. During the year under review, there were no provisions provided.

6.2 CONTINGENT LIABILITIES - IPSAS 19

The Agency managed to settle 23 cases during the year 2020/2021. As at 30th June, 2021, the Agency had 16 cases in court both as Applicants and Respondents. All cases relate to civil proceedings and are caused by rent arrears (Default tenants), ownership of land, sale of houses, lease contracts and labor.

The Agency does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statement, unless possibility of an outflow of resources embodying economic benefits or services potential as remote. As at 30th June, 2021 contingent liabilities are amounting to TZS 210,814,202

6.3 CONTINGENT ASSETS - IPSAS 19

The Agency does not recognized a contingent assets, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the agency in the notes to the financial statements.

6.4 EMPLOYEE'S BENEFIT -IPSAS 39

6.4.1. Short term employee benefits

The costs of all short-term employee benefits are recognized during the period in which the employee renders the related service. The Agency recognizes the expected cost of employee rewards only when the Agency has a present legal or constructive obligation to make such payment, and a reliable estimate can be made. Short term employee befits includes salary, wages and annual leave for current employees.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

6.4.2. Defined Contribution Plans

The Agency provides retirement benefit for its employees. Defined contribution plans are post-employment benefit plan under which an entity pays fixed contributions into a separate entity (pension funds); the Agency will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefit relating to employee service in the current and prior periods.

The Agency and its employees contribute to the following pension fund

- Public Service Social Security Fund (PSSSF)

The Agency's contributions to the defined contribution scheme are charged to the statement of financial performance in the year to which they relate.

6.4.3. Termination benefit

Termination benefits are payable when employment is terminated by the Agency before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Agency recognizes termination benefit when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

6.5 IMPAIRMENT OF FINANCIAL ASSET - IPSAS 41

The Agency assesses at each reporting date whether a financial assets or group of financial asset is impaired. A financial asset or 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 assets (an incurred loss events) and that loss event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlated with defaults.

6.6 ACCOUNT PAYABLE

Account payable is obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

6.7 RELATED PARTIES - IPSAS 20

The Agency regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Agency or vice versa. Members of key management are regarded as related parties and comprise the Board Members, Management and Employees. Related party transactions are disclosed under Note 40.

7. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Agency's financial statements in conformity with IPSAS requires management to make judgments, estimate and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

i. Judgments

In the process of applying the Agency's accounting policies, management has made judgments which have the most significant effect on the amounts recognized in the financial statements.

Estimate and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

ii. Estimates and Assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Agency based its assumptions and estimates on parameters available when financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur.

The changes in accounting estimates in the Agency have resulted from new Government Directives in a prospective application in line with IPSAS 3. The prospective recognition of the effect of a change in an accounting estimate means that the change is applied to transactions, other events and conditions from the date of the change in estimate. However, a change in the estimated useful life of the expected pattern of consumption of the future economic benefits embodied in a depreciable asset, affects depreciation expense for the current period and for each future period during the asset's remaining useful life. In both cases, the effect of the change relating to the current period and future is recognised as income or expense in both periods.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

The Agency through accounting circular No. 2 of 2017/2018 Testing For Impairment And Charging Depreciation as per standards, has adopted straight line depreciation method to allot the cost of the asset over its remaining useful life. Previously, the Agency was using reducing balance depreciation method.

iii. Useful Life and Residual Values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a. The condition of the asset based on the assessment of experts (professional values) engaged by the Agency;
- b. The nature of the assets, its susceptibility and adaptability to changes in technology and processes;
- c. The nature of the processes in which the asset is deployed
- d. Availability of funding to replace the assets;
- e. Changes in the market relation to the asset;

The useful lives of property, plant and equipment (PPE) is detailed out in Note 4.4 above.

iv. Provisions

Provisions were raised and management determined an estimate based on the information available. The carrying value of provisions for expenses is given under Note 29.

8. Financial risk Management policy

8.1 Credit Risk

The Agency's principal financial assets are cash and bank balances, and trade and other receivables. The Agency's credit risk is primarily attributable to its trade receivables. No allowances have been made to the amounts presented in the statement of financial position



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

for doubtful receivables estimated by the management based on the long outstanding balances and the assessment of the current economic environment.

8.2 Foreign Currency Risk

As a result of bank, debtors and creditors balances (favourable and unfavourable) denominated in foreign currency, the Agency's financial position and results can be affected by movement in exchange rates. However the Agency does not consider that there is a downside risk on holding foreign currencies or debtors balances arising from exchange rate movements. However, holding creditor's balance in foreign currency may lead to unfavourable impact to the Agency, other than this the Agency has also faced other risks such as Liquidity risk, Operational risks, Market risk Strategic risks and compliance risks.

8.3. Taxes

Tanzania Buildings Agency being an Executive Agency of the Government with Value added Tax Registration No. 40-025978-M and Taxpayers Identification Number (TIN) 101-024-490 is exempt from all taxes for the year.

Revenue, 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 Tax Authority, in which case the value added tax is recognized as part of the cost of acquisition of the assets 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 UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS AND TRANSPORT
TANZANIA BUILDINGS AGENCY



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

REVENUE	2020/2021	2019/2020
Revenue From Non Exchange Transactions		
Note 9 Amortization of Recurrent Grant		
During the year 2020/2021, TBA Personal Emoluments (PE) Wage bill was TZS 4,811,252,154.14 of which TZS 4,758,632,491.30 was received from MOWT. The difference TZS 52,619,662.84 comprises of TZS 10,440,061.92 as stop pay in GSPP payroll due to various reasons and TZS 42,179,599.78 as untimely receipt of June 2021 salary deductions from MOWT.		
The Agency made actual payment of TZS 4,710,502,288.00 to TBA staff while the difference of TZS 48,130,204 comprised of TZS 137,726.28 as over release of salary deduction and TZS		
Personal Emolument		
Opening Balance	-	-
Received during the Year	4,758,632,491	4,527,456,455
Amortized during the Year	(4,710,502,288)	(4,527,456,455)
Deffered Grant	48,130,204	-
Revenue From Exchange Transactions		
These are revenue recognized as a result of housing provision, consultancy and construction fees by stage of completion and other incomes.		
Note 10 Public Rent		
Public Rent -regions	3,282,415,028	937,320,628
Public rent HQ	1,322,574,000	2,654,484,661
Total Public Rent	4,604,989,028	3,591,805,289
Note 11 Commercial Rent		
Commercial Rent- Regions	1,793,109,450	3,725,229,217
Commercial Rent HQ	1,628,772,000	7,999,923,900
Total Commercial Revenue	3,421,881,450	11,725,153,117
Note 12 Consultancy Services		
Regions	4,579,799,243	5,141,776,403
Head office	4,456,452,862	-
Consultancy Services	9,036,252,105	5,141,776,403
Note 13 Receipts from Construction Works	2,360,252,084	3,845,064,734
Note 14 Other Revenue		
Miscellaneous Income	48,863,677	52,266,795
	48,863,677	52,266,795



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS AND TRANSPORT
TANZANIA BUILDINGS AGENCY



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

EXPENSES		2020/2021	2019/2020
	These are payments effected during the financial year under review.		
Note 15	Wages, Salaries and Employees benefits		
	Basic salaries - pensionable posts-permanent	3,485,771,693	3,350,317,777
	PSSSF - Pensionable posts-permanent	942,100,458	905,491,291
	NHIF - Pensionable posts-permanent	282,630,137	271,647,387
	Total Basic Salaries-pensionable posts-permanent	4,710,502,288	4,527,456,455
	Basic salaries - non pensionable posts-temporary	1,448,432,846	1,498,119,449
	PSSSF - Pensionable posts-permanent	391,468,337	404,897,148
	NHIF - Pensionable posts-permanent	117,440,501	121,469,144
	Total Basic Salaries- non pensionable posts-temporary	1,957,341,684	2,024,485,741
	Total Basic Salaries	6,667,843,972.05	6,551,942,196
	Employment allowances:-		
	Staff Leave	135,674,618	134,486,700
	Moving Expenses	270,607,006	356,516,830
	Staff Uniforms	71,505,000	4,999,240
	Other benefits:-		
	Hardship Allowance	1,025,998,785	1,225,573,513
	Extra duty allowance	1,380,155,004	1,167,609,926
	Responsibility allowance	2,400,000	-
	Burial	31,506,000	41,993,134
	Workers Compansaction	65,231,610	-
	Emergency Medical Treatment	-	-
	Health Cost	2,550,000	26,778,000
	Special Allowance	12,558,471	11,000,000
	Housing Allowance	42,600,000	8,400,000
	Furniture and Housing Allowance	18,172,034	-
	Total Wages, Salaries and Employees benefits	9,726,802,501	9,529,299,539
Note 16	Supplies and Consumables		
	Fees	67,190,161	238,231,408
	Communication and information, supplies and services:-	176,992,461	309,786,992
	Food supplies and services: Food and Refreshment	79,723,706	131,789,351
	Fuel, oils and lubricants-diesel	305,565,575	333,354,665
	Office and general supplies and services	228,186,968	322,567,355
	Utilities	388,363,459	316,046,099
	Security expenses	154,333,008	160,094,819
	Meetings, conferences and seminars:Conference facilities	380,023,030	286,052,755
	Sundry expenses	55,752,323	165,126,558
	Research and consultancies	-	40,718,363
	Training expenses - domestic	265,173,496	145,106,316
	Travel - tickets	174,339,782	115,207,565
	Travel - Subsistence:Per diems -domestic	1,121,233,085	1,498,430,199
	Honoraria	726,347,977	486,108,000
	Total Supplies and Consumables	4,123,225,030	4,548,620,445



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For the year ended 30th June, 2021 (Continue)

Note	17	Maintenance expenses	2020/2021	2019/2020
		Rehabilitation buildings	75,530,276	945,071,126
		Rehabilitation Equipments	12,702,831	93,827,847
		Motor vehicle and water crafts	154,613,081	320,391,913
		Total Maintenance expenses	242,846,188	1,359,290,885
Note 18		Finance cost		
		The Finance costs include bank charges and interests that rose from late payment of Loans from Financial Institutions		
		Bank charges	22,421,613	121,730,487
		Loan Expenses	100,987,312	-
		Other bank expenses	-	-
		Bank charges and other bank expenses	123,408,925	121,730,487
Note 19		Depreciation expenses		
		Annual Depreciation	3,930,324,355	5,219,209,045
		Total Other expenses	3,930,324,355	5,219,209,045
Note 20		Other expenses		
		Title deeds	-	-
		Miscellaneous expenses	179,378,035	528,321,722
		Land rent, Treasury register(15%) & property tax	200,000,000	256,168,053
		Total Other expenses	379,378,035	784,489,775
Note 21		Work In Progress		
		Work in Progress represents gross expenditure incurred in building projects implemented by own source fund whose construction is not yet completed		
		Current Asset (For Sale)		
		WIP Opening	58,404,254,862	60,502,717,577
		Addition During the year	308,352,028	1,827,465,552
		Transfer during the year	(9,171,882,291)	(3,925,928,267)
		WIP Closing 2020/2021	49,540,724,599	58,404,254,862
		Non Current Asset (Investment Property)		
		WIP Opening	8,916,797,333	8,748,061,337
		Addition During the year	81,418,907	168,735,996
		Transfer during the year	-	-
		WIP Closing 2020/2021	8,998,216,240	8,916,797,333



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For the year ended 30th June, 2021 (Continue)

Note	2020/2021	2019/2020
21 Work in Progress (Continue)		
Non Current Asset (Investment Property)		
WIP Opening	33,736,000,000	22,000,000,000
Addition During the year	16,455,937,956	11,736,000,000
Transfer during the year	-	-
WIP Closing 2020/2021	50,191,937,956	33,736,000,000
Total Non Current Asset	59,190,154,196	42,652,797,333
Total Additional Work in Progress	16,845,708,891	11,904,735,996
22 Inventory		
Inventory represents completed/Finished houses ready to be sold and office consumables in stores.		
Completed Bunju Houses	4,585,941,146	
Office Consumables	8,208,591	
Completed houses Mwanza region	128,356,207	128,356,207
Inventory at the end of the year	4,722,505,944	128,356,207
23 Trade and other Receivables		
The receivables of TZS 60,270,901,115 consist of public and commercial housing provision, consultancy fees, construction fees, sales of Government houses exchange transactions and Sales of Government houses to University of Dodoma located at Mwangaza Dodoma Region. Other debtors of TZS 5,579,901,115 include TZS 5,152,945,345 as TBA ownsource advanced to projects for construction services to various clients and TZS 426,385,046 as imprest which is not yet retired. The imprest was issued in respect to the execution of client projects and when retired will be expensed to the the respective client projects		
Public rent receivables were TZS 5,297,300,806 but were reduced by TZS 144,333,500 (TZS 134,629,000+ TZS 9,704,500) to TZS 5,152,967,306. The said amount TZS 144,333,500 was not received (In cash) but (In kind) after the respective tenants had rehabilitated their houses. This is inline with the Agency's policy. Thus, 134,629,000 was deferred revenue in 2019/20 and 9,704,500 was rehabilitation costs during the year 2020/21.		
Public Rent Receivables	5,152,967,306	3,317,944,181
Commercial Rent Receivables	31,879,175,563	31,999,826,767
Consultancy fee receivables	15,706,855,514	12,250,786,545
Sale of Government House-Bunju CA	2,476,163,422	-
Mwangaza Houses	4,444,679,003	4,444,679,003
Sub total	59,659,840,807	52,013,236,497
Other debtors:		
Debtors - Client works-construction projects	5,152,945,345	5,152,945,345
imprest	426,385,046	96,198,485
Sub total	5,579,330,391	5,249,143,830
Total Trade and other Receivables	65,239,171,198	57,262,380,326



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For the year ended 30th June, 2021 (Continue)

Note	24	Loan and advance	2020/2021	2019/2020
		During the year under review, loan and advance was 110,613,458 and previous financial year was 64,257,600. the increase wa caused by new staffs who joined as Public Servants for the first time who were not included in government payroll due to various government reasons.		
		As at the start of the Year	64,257,600	84,904,474
		Loan issued during the year	99,420,728	3,670,000
		Loan recovered	(53,064,871)	(24,316,875)
		Loan and Advance at the end of the year	110,613,458	64,257,600

Note 25 Cash and Cash Equivalent

The Agency is not exposed to credit risk to cash and bank balance because these are held with sound financial institutions.

At the end of the year the Agency had a total of USD 28,975.68 exchanged at a rate of 2,287.50 held in two banks, TZS 13,510,674,990 held in various banks and TZS 47,896,930 cash held in NMB Imprest Account. The carrying amount of the Agency's cash and cash equivalent were denominated in the respective currencies as shown below

Cash held in NMB	47,896,930	
CRDB Sales Account TZS	913,914	948,462
CRDB Revenue Account TZS	863,540	279,699,546
CRDB Revenue Account - USD in TZS	46,162	404,849
CRDB Miscellaneous Account - TZS	2,003,803	1,546,925,712
CRDB Building Government Quarters Account - TZS	-	-
CRDB Recurrent Account Expenditure Account - TZS	85,230,191	1,895,738,226
CRDB Recurrent Account Expenditure Account - USD	-	-
BOT Sales Account - TZS	2,300,000	271,668,104
BOT Revenue Account TZS	2,923,673,705	8,991,213,647
BOT Revenue Account USD in TZS	66,235,561	246,283,481
BOT Expenditure Account TZS	10,484,821,308	
NMB Revenue Account	4,043,000	
Tanzania Investment Bank Account - TZS	336,704	
Bank of Africa Account - TZS	-	26,963,472
CRDB Recurrent Account Expenditure Regions - TZS	6,488,825	52,036,104
Cash and Cash Equivalent	13,624,853,644	13,311,881,604



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15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note	Cash Flow Reconciliation - Cash Flows Generated From Operations	2020/2021	2019/2020
	Reconciliation of net cash flows from operating activities to surplus/(deficit)		
	Surplus/(Deficit) for the year	34,564,336,348	22,457,608,230
	Adjustments for non cash movements		
	Depreciation	3,941,500,789	5,219,209,045
	Cost of Bunju Houses	4,585,941,146	3,925,928,267
	Decrease in Payables	(250,315,634)	(2,780,649,634)
	Change in Rent Non cash movements	-	134,629,000
	Increase in capital Grants (Receipts of Motor vehicles)	-	(2,896,193,966)
	Deferred Personal emolument	48,130,204	
	Receivables non cash Movement (Bunju Houses)	(2,146,349,966)	(581,489,166)
	Increase in Receivables	(7,976,790,872)	(7,285,757,287)
	Net Cash Generated from Operations	32,766,452,015	18,193,284,488

Note 27 Trade and Other Payables

These are current and non current obligations which rose from operating activities of the Agency. Other expenses includes Security Service, Telephone charge -Mobile and Internet and mail connections recognised as creditors and advertising and publication costs as payment of creditors during the year.

CATEGORIES	OPENING 2019/20	ADDITION	PAYMENT	CLOSING 2020/2021
a) Sundry Creditors			-	
Wages, salaries and employee benefits	-	59,525,342.00		59,525,342.00
Supplies and consumables used	10,884,476	817,500	802,400.00	10,899,576
Maintenance expenses	63,811,009	11,409,018	26,980,679.00	48,239,348
Other expenses	705,892,817	15,817,784	213,552,039	508,158,562
Sub Total (Sundry creditors)	780,588,302	87,569,644	241,335,118.00	626,822,828
b) Bunju Claims to be refunded	336,924,035		96,550,160.00	240,373,875
Total Trade and Other Payables	1,117,512,337	87,569,644	337,885,278.00	867,196,703



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15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note	28	Clients' Deposits	2020/2021	2019/2020
a)		Deposits (Receipt from Bunju)		
		The Agency receives funds for purchase of Government houses at Bunju area, however for the amount to be treated as Sales have to meet recognition criteria. The funds deposited by various customers is treated in the Financial Statements as down payments due to failure to meet recognition criteria under IPSAS 9 - Revenue From Exchange Transactions paragraph 28 - 30		
		At the Beginning	2,697,221,476	6,194,619,744
		Collected During the year	292,100,000	896,580,250
		Refunded during the year	(96,550,160)	(31,836,000)
		Total payable	2,892,771,316	7,059,363,994
		Sales recognition	(2,146,349,966)	(4,362,142,518)
		Deposits (Receipt from Bunju)	746,421,350	2,697,221,476
b)		Miscellaneous Deposit		
		The Agency enter into contracts with various Government Institutions to build various projects every Financial Year through the Department of Construction, during the year the Agency continue the constructions of on going projects and new projects, and as at 30th June 2021 the Agency remain with the amount of TZS 1,880,377,954		
		Miscellaneous Deposit	1,880,377,954	9,108,752,722
		Total Clients' Deposits	2,626,799,304	11,805,974,197
Note	29	Provision		
		During the financial year the Agency has no new provisions provided for Bad debts. However the Agency continue to maintain TZS 700,000,000 as the provision for liabilities due to on-going negotiations to formulate addendum of the contract with Issa Said Matta to cease the acquisition of the remaining plots.		
		Also, the Agency await for the ruling of Ex NASACO case despite of her houses located at Kurasini and Masaki to effect the payment of TZS 591,000,000.00		
		Issa said Matta-Land Kiluvya	700,000,000	700,000,000
		NASACO Building	591,000,000	591,000,000
		Total	1,291,000,000	1,291,000,000



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For the year ended 30th June, 2021 (Continued)

Note	30	Loan Balance From Financial Institutions	2020/2021	2019/2020
		These are loans acquired to facilitate capital expenditure for various projects. During the year, the Agency managed to repay the outstanding balance of TZS 4,183,941,804 and did not acquire new loans from financial institutions.		
		CRDB		3,417,451,726
		PSPF	-	-
		TIB	-	766,490,079
		Total Loan	-	4,183,941,804
Note	31	Tax payer's Fund		
		At start Of the year	376,135,047,532	376,135,047,532
		Additions	-	-
		At the end of the year	376,135,047,532	376,135,047,532
Note	32	Accumulated Surplus		
		During the year, the Agency restated the surplus' FY 2019/2020 by recognizing construction cost of Government houses sold, construction cost of Magomeni kota Project and rehabilitation of Government houses (leaders and rented houses) which led to changes in the respective Accumulated surplus.		
		At start of thr year	216,155,274,641	193,697,666,412
		Overstated of Rent Receivables	-	-
			216,155,274,641	193,697,666,412
		Surplus for the period	34,575,512,782	22,457,608,230
		Retained Earning at the end	250,730,787,423	216,155,274,641



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For the year ended 30th June, 2021 (Continue)

Note	33	Own Source cash Collections	2020/2021	2019/2020
		Own source cash collections of TZS 15,287,646,368 are collections from housing provision, consultancy and construction fees and sales of Government houses and TZS 558,927,926 are funds deposited by various customers as down payments for purchase of Bunju houses and Government Houses but they fail to meet recognition criteria under IPSAS 9 Paragraph 28 - 30		
		Receipts from Sales of Government Houses	692,880,303	581,489,166
		Sale of Bunju houses	472,976,774	-
		Total collection from Sales of Government Houses	1,165,857,077	581,489,166
		Public rent	2,625,632,402	2,275,485,977
		Commercial Rent	3,555,721,667	3,473,639,417
		Receipts from Construction Works	2,360,252,084	3,845,064,734
		Consultancy services	5,580,183,137	6,884,332,342
		Total Own Source cash Collections	15,287,646,368	17,060,011,636
		Receipt from Sales of Government Houses (Down payment)		
		Other Sales down payments	266,827,926	-
		Total Receipt from Sales of Commercial Houses (Down payment)	292,100,000	896,580,250
			558,927,926	896,580,250
Note	34	Development Grants		
		Development Grants - Construction and Rehabilitation		
		This represents all the funds of construction which have been budgeted in the Agency's subvention or grant where the Agency receives fund directly from the Ministry of Works and Transport in order to implement strategic development projects on behalf of the Ministry, during the financial year under review, the Agency received TZS 34,638,903,053 for implementation of development projects including Magomeni Kota and Rehabilitation of Leaders Houses. The Agency has recognized TZS 16,455,937,956 as Work in Progress (Investment Property) for the year and TZS 10,942,741,844 was capitalized of which TZS 3,008,895,118.92 is for Property, Plant and equipment and TZS 7,933,846,724.99 for Investment property.		
		Opening Balance	938,685,957	-
		Development Grants-for execution during the year	34,638,903,053	12,674,685,957
		Available grants during the year	35,577,589,010	12,674,685,957
		Less: Development amortized during the year	(10,942,741,844)	-
		Development amortized during the year -	(16,455,937,956)	(11,736,000,000)
		Total grants amortized during the year	(27,398,679,800)	(11,736,000,000)
		Deferred Grant (Closing Balance)	8,178,909,210	938,685,957



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15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note 34 Development Grants (Continue)

(b) Capital Grants

The Agency recognized for the first time in the financial year 2019/2020 the value of motor vehicle totaled to TZS 2,896,193,966 as Capital Grant, which were used in the supervision of construction of Chamwino project, these motor vehicles were purchased by the project for the purpose of enhancing capacity of the Agency in supervision and construction of not only this project (Chamwino Dodoma) but also other Government projects with the same size and magnitude. This is in accordance to IPSAS 23 that states that an inflow of resources from a non-exchange transaction recognized as an asset shall be recognized as revenue only if there are no conditions attached to the inflow. During the year, the Agency did not receive such grant

Opening Balance	-	-
Recognized during the year (Motor Vehicle)	-	2,896,193,966
Amortized during the year (Motor Vehicle)	-	(2,896,193,966)
Closing Balance	-	-

Note 35 Miscellaneous Income:

These are cash collected from interests earned, sale of tender documents, house application fees and penalties

Miscellaneous income	48,863,677	96,183,670
Total Other Receipts	48,863,677	96,183,670

Note 36 Operating Expenses

These are payments effected during the financial year under review. Other expenses includes Security Service, Telephone charge -Mobile and Internet and mail connections and advertising and publication expenses and others

Wages, salaries and employee benefits	9,667,277,159	9,529,299,539
Supplies and consumables used	4,141,811,874	4,825,256,490
Maintenance expenses	258,417,849	1,314,829,206
Finance Cost	123,408,925	121,730,487
Other expenses	577,112,290	762,662,197
Total Operating Expenses	14,768,028,096	16,553,777,919



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15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note	Contract works- Clients	2020/2021	2019/2020
	The Agency entered into contracts with various Government Institutions to build various projects every Financial Year through the Department of Construction, Agency received TZS 29,345,059,133 for constructions of on going projects and new projects and paid TZS 37,007,002,376 for the same, these payments include opening balance of contract works during the year		
	Opening Balance	9,542,321,198	10,018,340,758
	Clients deposit received during the year	29,345,059,133	41,492,070,636
	Available fund for executions	38,887,380,330	51,510,411,394
	Less: Clients deposit spent during the year	(37,007,002,376)	(41,968,090,196)
	Balance during the year	1,880,377,954	9,542,321,198
Note 38	Loan Repayment From Financial Institutions		
	These are loans acquired to facilitate capital expenditure for various projects. During the year, the Agency managed to repay the outstanding balance of TZS 4,183,941,804 as principle and TZS 207,364,716 as interest and did not acquire new loans from financial institutions.		
	CRDB BANK	3,417,451,726	1,952,584,853
	PSSSF	-	819,086,156
	TIB BANK	766,490,079	658,767,639
	Total	4,183,941,804	3,430,438,648
	Interest on Loan Repayment From Financial Institutions		
	CRDB BANK	207,364,716	1,704,231,147
	PSSSF	-	21,702,935
	TIB BANK	-	101,531,470
	Total	207,364,716	1,827,465,552
	Grand Total	4,391,306,520	5,257,904,200
Note 39	Sales of Government Houses Receivables		
(a)	Sales of Government Houses Receivables-other Government Houses		
	These are receivables as a result of sales of Government houses received by the Agency from the Government in different areas of the country. During the year the Agency recognized sales of TZS 997,339,355 and made refund of TZS 2,000,000 to customers who over paid their full instalments from sales of Government houses.		
	Opening Balance as at 01 July	1,116,485,509	1,697,974,675
	Add: Sales during the year	997,339,355	-
	Refund during the year	2,000,000	-
	Less: Receipt during the year	692,880,303	581,489,166
	Closing Balance as at 30 June	1,422,944,561	1,116,485,509



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15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note	39	Sales of Government Houses Receivables (Continue)	2020/2021	2019/2020
(b)		Sales of Government Houses Receivable-Bunju-NCA		
		These are deferred receivables as a result of sales of houses constructed by the Agency in Bunju area. The Sales are not recognised in the Statement of Financial Performance as they will be amortized as they fall due. This is according to the Agency's Policy.		
		Opening Balance as at 01 July	-	-
		Sales not yet recognised	5,095,490,162	-
		Receipt during the year	-	-
		Refund during the year	-	-
		Closing Balance as at 30 June	5,095,490,162	-
		Total Sales of Government Houses Receivable	6,518,434,722	1,116,485,509

Note 40 Related Party Transactions and balance

Related parties comprise of Ministerial Advisory Board, the top Management and staffs of the TBA who includes Directors and Managers that have significant influence over the Agency's affairs. The following transactions were carried out with related parties:

Details	2020/2021 (TZS)	2019/2020 (TZS)
Salaries	1,411,291,303	1,179,929,183
Contribution to post employment Benefit plan	211,693,695	182,813,877
Other Emoluments	402,956,250	352,885,000
Total	2,025,941,248	1,715,628,061

Note 41 Gain on foreign exchange Transactions

The Agency recognized gain on foreign exchange as a result of favourable exchange rate on receivables from commercial rented houses.

Gain/(Loss) on Foreign currency

A. Upon settlement of Receivable			
Details	At Start of the year	At settlement date	Gain/(Loss)
Total Receivable (USD)	9,558,235.06	221,037.39	221,037.39
Exchange rate	2,286.0990	2,286.7970	0.70
Total Receivable (TZS)	21,851,071,612.4	505,467,640.34	154,284.10
B. At closing date			
Details	At Start of the year	At closing date	Gain/(Loss)
Total Receivable remained (USD)	9,337,197.67	9,337,197.67	9,337,197.67
Exchange rate	2,286.0990	2,287.4950	1.40
Total Receivable (TZS)	21,345,758,256.19	21,358,792,984.14	13,034,727.95
Total Gain/(Loss) on foreign currency translation (TZS)			13,189,012.05

Total gain/(Loss) on foreign currency translation will be the sum of Gain/(Loss) upon settlement and Gain/(Loss) at



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15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note	42	Sales of Government Houses	2020/2021	2019/2020
	(a)	Bunju Sales		
		During the year under review the Agency recognized sales of Bunju houses TZS 5,095,490,161.78 after meeting recognition criteria under IPSAS 9 - Revenue from Exchange Transaction Paragraph 28, however the amount of TZS 2,146,349,966.00 from client deposit under Note 28 was collected from customers in prior years for the same houses recognized during the financial year. Also TZS 472,976,774.00 is cash collected during the year under review for the recognized houses.		
		The Sales amount of TZS 5,095,490,161.78 recognized was matched with cost of TZS 4,585,941,145.60 incurred to construct the houses recognized during the year under review to meet matching principle.		
		Sale of Government House-Bunju	5,095,490,161.78	4,362,142,518.43
	(b)	Other Government Houses Sales		
		These are sales of Government houses received by the Agency from the Government in different areas of the country. During the year the Agency recognized sales of TZS 997,339,355		
		Sales from Other Government Houses	997,339,355.23	-
		Total Sales of Government Houses	6,092,829,517.01	4,362,142,518.43
Note	43	Construction Costs - Government Houses sold		
		These were costs incurred during the construction of Bunju Houses. The construction cost amounting to TZS 4,585,941,145.60 recognized was matched with sales of TZS 5,095,490,161.78 recognized during the year under review to meet matching principle		
		Construction Costs - Government Houses sold	4,585,941,145.60	3,925,928,266.59
Note	44	Deffered Revenue		
	44a	Deffered Revenue - Current Liability		
		Sales Government houses		
		Deffered revenue comprises of sales of Bunju houses. The Agency recognizes sale of Government house during the first year (50%) in statement of financial performance as sales (TZS 5,095,490,161.78) and the remaining amount in the statement of financial position as receivable in current asset and deffered Revenue in current liability (TZS 2,211,203,855.6) and Non-current liabilities (TZS 2,884,286,306). The deffered revenue will be amortized every year as they fall due.		
		Opening Balance-Deffered Revenue	-	-
		Original amount of Bunju Sales during the year	10,190,980,324	-
		Less: Sales Amortized during the year	5,095,490,162	-
		Deffered Revenue-(Non Current Liability)	2,884,286,306	-
		Deffered Revenue - Sales of Government Houses	2,211,203,856	-



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Note	Deffered Revenue - Current Liability (Continue)	2020/2021	2019/2020
44	Rehabilitation of Rented Houses The Agency amortizes the amount used by tenants to rehabilitate the rented house every financial year, during the year the Agency recognize TZS 134,629,000.00 as Public rent from previous last Financial Year Current Liability and recognizes TZS 122,427,751.00 (TZS 105,419,751 + TZS 17,008,000) as Rent in Advance (Current Liability)		
	Opening Balance	134,629,000	-
	Add: Rehabilitated houses during the year	122,427,751	134,629,000
	Less: Rent recognized during the year	134,629,000	-
	Deffered Revenue - rented houses	122,427,751	134,629,000
	Total Deffered Revenue - Current Liability	2,333,631,607	134,629,000
44b	Deffered Revenue - Non Current Liability Sales Government houses During the financial year under review, the Agency recognized deferred revenue as non-current liabilities of TZS 2,884,286,306 from sales of Government houses (Bunju). The deferred revenue will be amortized every year as they fall due. Refer Note 46 (a) - Sales of Government Houses		
	Deffered Revenue Sales of Government houses	2,884,286,306	-
	Deffered Income (Non Current Liabilities) According to TBA Accounting Manual (Para 4.4.3.1.3), TBA may allow tenant to renovate, repair or modify TBA estates by using tenant funds (See Note 4.2.1.Rental Income). During the year the Agency recognizes the amount of TZS 557,478,490 as Non current Liabilities used in repair and maintenance by tenants in Investment Properties Buildings		
	Opening Balance-Differed income	621,268,968	-
	Original amount of Repair		878,444,468
	Additional During the year-Differed income	41,629,273	-
	Public Rent Amortized during the year		(122,546,500)
	Deffered Income-Prepaid Public Rent (Current Liability)	(105,419,751)	(134,629,000)
	Deffered Income-Prepaid Public Rent(Non Current Liability)	557,478,490	621,268,968
	Total Deffered Revenue - Non Current Liability	3,441,764,796	621,268,968



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Note	Deferred Grant	2020/2021	2019/2020
	Deferred Grant - Current Liability		
	Development Grants		
	During the financial year under review, the Agency received TZS 34,638,903,053 for implementation of development projects including Magomeni Kota and Rehabilitation of Leaders Houses from Ministry of Work and Transport. The Agency recognized deferred revenue of TZS 8,178,909,210 after expenditure of TZS 27,398,679,800. Refer Note 35		
	Opening Balance	938,685,957	-
	Development Grants-for execution during the year	34,638,903,053	12,674,685,957
	Available grants during the year	35,577,589,010	12,674,685,957
	Less: Development exp during the year	(27,398,679,800)	(11,736,000,000)
	Deferred Grant	8,178,909,210	938,685,957
	Personal Emoluments (PE)		
	During the financial year under review, the Agency recognized deferred revenue from Personal Emoluments of TZS 48,130,204. The deferred Personal Emoluments will be amortized next year. Refer Note 9 (a) - Amortization of Recurrent Grant		
	Opening Balance	-	-
	Received during the Year	4,758,632,491	4,527,456,455.00
	Amortized during the Year	(4,710,502,288)	(4,527,456,455.00)
	Deferred Grant	48,130,204	-
	Total Deferred Grant (Development and PE)	8,227,039,414	938,685,957
Note 46	Prepayments		
	During the year under review prepayment comprise of Diesel TZS 10,393,352.14 for office use		
	Prepayments Fuel	10,393,352.14	-



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Note 47: Disclosure of adjustments

Restatement of the Financial Statement for the year 2019/2020

During the year 2019/2020 the restatements of financial year were done as follows according to IPSAS 3 Para 47 the prior year error has to be corrected retrospectively in the first set of financial statement authorized for issue after their discovery.

S/N	Item	Original Amount 30th June 2020 TZS-A(000)	Restated Amount TZS-B(000)	Difference (TZS) (B-A)(000)	Reason for Restatement
1	Revenue from Non Exchange Transaction	7,423,650,421.00	19,159,650,421.00	11,736,000,000.00	Adjustment for Development Grants - Construction and Rehabilitation which was an accounting error
2	Expenses	21,552,640,177.00	25,488,568,443.54	3,935,928,266.54	Adjustment of Construction costs - Government Houses Sold in respect to Bunju houses that were omitted
3	Work in Progress (For sale)-Current	62,330,183,130.00	58,404,254,862.80	(3,925,928,267.20)	Adjustment of WP in respect to Construction costs - Government Houses Sold of Bunju houses that were omitted
4	Work in Progress-Non Current	8,916,797,333.00	42,652,797,333.00	33,736,000,000.00	Adjustment of Magereni Keta construction costs as WP
5	Trade and other Payabl	1,252,141,337.00	1,117,512,337.02	(134,628,999.98)	Adjustment for non cash item in respect to rent which were previously recorded as trade payables instead of Deferred Revenue
6	Clients' Deposits	12,744,660,154.00	11,805,974,157.07	(938,685,996.93)	Adjustment in respect to balance of development grant which were previously recorded as client deposit instead of Deferred Revenue
7	Deferred Revenue	-	1,073,314,957.01	1,073,314,957.01	Adjustment for trade and other payables and clients' deposit that were previously wrongly classified
8	Contract Works Client-Receipts	43,866,256,583.00	41,492,070,635.58	(2,394,185,957.42)	Adjustment for receipts from contract works that supposed to be recorded as development grants receipts
9	Contract works Expenditure - Clients	44,362,276,153.00	41,968,090,196.20	(2,394,185,956.80)	Adjustment for expenses for contract works that supposed to be recorded as development grants expenses
10	Development Grants	10,280,500,000.00	12,674,685,957.01	2,394,185,957.01	Adjustment of development grants receipts that were previously recorded in clients deposit receipts
11	Development Expenditure - Grant	9,341,814,043.00	-	(9,341,814,043.00)	Adjustment for Development Grants expenses operating activities that were supposed to be recorded in investing activities
12	Work in Progress-Investing Properties	168,735,996.00	11,904,735,996.00	11,736,000,000.00	Adjustment for WIP-IP with costs that were previously recorded in operating activities

Note 48: Information on Budget Performance

IPSAS 24 requires a public sector entity that is required or elect to make publicly available its approved budget to present budgetary information covering classification and basis adopted in the approved budget, budget period covered, and material difference (variances) between the final budget amount and actual amounts during the year for both revenue and expenditure.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note 48.1 Budgetary basis

The budget for financial year 2020/2021 is based on TBA Rolling Strategic Plan, operational policies and relevant Government Circulars. It was also prepared in line with the Medium-Term Expenditure Framework (MTEF) as one of the requirements of the Government Budget Guidelines for Preparation of budget.

Note 48.2 Budgetary period covered

The budget for financial year 2020/2021 covered a twelve (12) months period starting 1st July 2020 to 30th June 2021.

Note 48.3 Explanation for Material Variances

During implementation of the approved budget for financial year 2020/2021, the Agency noted some material variances (above or below 10%) against its revenue and expenditure budget. Explanation on such variances is given below:

Note 48.4 Recurrent Grant

During the year ended 30th June 2021 the Agency received TZS 4,758,632,491 comparing to TZS 9,931,886,994 recurrent Grant budgeted during the period equivalent to 48%. The Agency anticipated a recruitment of remaining employees as per approved Organisation structure, however there was low recruitment due to few employment permits from the Government thus, affecting the receipts of Grants.

Note 48.5 Receipts from Sales of Government Houses

During the year ended 30th June 2021 the Agency received TZS 1,165,857,077 on Sales of Government Houses compared to TZS 175,025,561 budgeted equivalent to 666%. The increase in performance was mainly contributed by revenue from sales of Government houses arising during the year. Receipt from sales of



15. NOTES TO THE FINANCIAL STATEMENTS

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Government houses were above the budget by TZS 990,831,516 due enforcement of debt collections procedures and sales recognition during the year. Also there was other sales of Government houses from Bunju of TZS 472,976,774.

Note 48.6 Public Rent

During the year ended 30th June 2021 the Agency earned TZS 2,625,632,402 on Public Rent compared to TZS 2,003,006,592 budgeted equivalent to 131%. The increase of TZS 622,625,810 in Public Rent was caused by the Agency's mission to provide housing to public servants, hence replaced most of the expired commercial rented houses contracts with public rented houses contracts to fulfil the Agency's mission due to high demand of public servant houses in Dodoma region.

Note 48.7 Commercial Rent

During the year ended 30th June 2021 the Agency earned TZS 3,555,721,667 on Commercial Rent compared to TZS 9,589,199,454 budgeted equivalent to 37%. The decrease of TZS 6,033,477,786 was caused by the Agency's mission to provide housing to public servants, hence replaces most of the expired commercial rented houses contract with public rented houses contract to fulfil the Agency's mission due to high demand of public servant houses in Dodoma region.

Note 48.8 Consultancy Rent

During the year ended 30th June 2021 the Agency earned TZS 5,580,183,137 on consultancy fee compared to TZS 22,716,052,658 budgeted equivalent to 25%. The decrease of TZS 17,135,869,521 was attributed by competition of other Government Institutions performing the same operation as TBA example SUMA JKT and tough economic conditions caused by factors like COVID 19.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note 48.9 Receipts from Construction Works

During the year ended 30th June 2021 the Agency earned TZS 2,360,252,084 on Receipts from Construction Works compared to TZS 11,344,612,616 budgeted equivalent to 21%. Reduction in construction works was caused by the decision of the Government to open room to private contractors to construct Government houses which increased competition between public and private contractors.

Note 48.10 Receipt from Sales of Commercial Houses (Down payment)

During the year ended 30th June 2021 the Agency earned TZS 558,927,926 on Receipt from Sales of Commercial Houses (Down payment) compared to TZS 2,402,375,430 budgeted equivalent to 23%. The decrease of TZS 1,843,447,504 was attributed due to reluctance of payment from customers (civil servants). Due to inability of application of extreme measures from TBA Management, this has been contributed to the fact that TBA is gazed as services structured Agency.

Note 48.11 Contract works- Clients

During the year ended 30th June 2021 the Agency received TZS 29,345,059,133 on Contract works - Clients, these funds are not budgeted in the Agency budget and are neither consider as Agency's fund nor Agency's Projects, that is why neither fund from this category has been estimated in the Agency's budget.

Note 48.12 Development Grants

During the year ended 30th June 2021 the Agency received TZS 34,638,903,053 on Development Grants compared to TZS 60,256,856,000 budgeted equivalent to 57%. The decrease of TZS 25,617,952,947 was attributed by under release of funds for Development projects due to various economic and strategic reasons.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note 48.13 Miscellaneous Income

During the year ended 30th June 2021 the Agency earned TZS 48,863,677 on Miscellaneous Income compared to TZS 491,479,943 budgeted equivalent to 10%. The decrease of TZS 442,616,265 was attributed due to the fact that, the interest rate from commercial bank deposit have decreased as result of the Agency stop maintain Expenditure account in commercial banks and Agency's fund in collection does not stay more than two days consequent to low interest earned.

Note 48.14 Wages, salaries and employee benefits

During the year ended 30th June 2021 the Agency incurred TZS 9,667,277,159 as Wages, salaries and employee benefits equivalent to 54% of the budgeted amount TZS 17,850,807,851. The decrease of TZS 8,183,530,692 was mainly due to shortage of staff available in the Agency. Due to shortage of staff leads to underutilization of Wages, salaries and employee benefits during the year.

Note 48.15 Supplies and consumables

During the year ended 30th June 2021 the Agency incurred TZS 4,141,811,874 as Supplies and consumables equivalent to 52% of the budgeted amount TZS 7,898,125,673. The below expenditure by TZS 3,756,313,799 was due to cost management initiatives.

Note 48.16 Maintenance expenses

During the year ended 30th June 2021 the Agency incurred TZS 258,417,849 as Maintenance expenses equivalent to 57% of the budgeted amount TZS 449,866,598. Spending below by TZS 191,448,749 was due to effective and efficient of cost management initiatives.



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

Note 48.17 Finance Cost and Other Expenses

During the year ended 30th June 2021 the Agency incurred TZS 123,408,925 as Finance cost and TZS 577,112,290 as other expenses equivalent to 6% of the budgeted amount TZS 9,484,012,597. The decrease of expenditure was due to establishment of new Government payment system called *Mfumo wa Uhasibu Serikalini 'MUSE'*. MUSE does not have bank transaction costs compared to other system used, hence attribute to favourable cost reduction.

Note 48.18 Contract works - Clients

During the year ended 30th June 2021 the Agency incurred TZS 37,007,002,376 as Contract works from Clients these funds are not budgeted in the Agency budget and are neither consider as Agency's fund nor Agency's Projects, that is why neither fund from this category has been estimated in the Agency's budget.

Note 48.19 Loan Repayment and Development Loan

During the year ended 30th June 2021 the Agency incurred TZS 4,391,306,520 as Loan Repayment and TZS 308,352,028 Development Loan equivalent to 126% of the budgeted amount TZS 3,482,125,627. The increase of TZS 1,010,168,206 as loan repayment was caused by the Agency's decision to repay the remained outstanding loan from CRDB and TIB which include the principal from TIB that was liquidated in the year 2020/ 2021 prior to the agreed schedule of payment (which was supposed to end by the year 2022). This was all influenced by the Parliamentary Accounting Committee. Also the Agency did not acquire any loan from financial institutions due to unbudgeted loan hence no expenditure

Note 48.20 Development Grant

During the year ended 30th June 2021 the Agency incurred TZS 27,480,098,707 as Development - Grant equivalent to 46% of the budgeted amount TZS 60,256,856,000. The decrease of TZS 32,776,757,293 was attributed by under



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

release of funds for Development projects due to various economic and strategic reasons

Note 48.20 Development own source

During the year ended 30th June 2021 the Agency incurred TZS 273,722,721 as Development own source equivalent to 1% of the budgeted amount TZS 19,488,700,901. The Agency has spent less of TZS 19,214,978,180 on Development Expenditure from Own source projects due to low collection of revenue during the year under review.

Note 48.21 Reconciliation of Cash flow and Budget

The Government through circular No. 07 of 2020/21 adopted reconciliation of actual amount on comparable bases between statement of comparison of budget and actual amounts and cash flow statement as per requirement of IPSAS 24 Para 47.

The analysis of the reconciliation of statement of comparison of budget and actual amounts and statement of cash flows is detailed Table no 13 below;

Table13: Reconciliation of Statement of Comparison of Budget and Actual Amounts and Statement of Cash Flows

Description	Operating	Financing	Investing	Total
Actual Amount on comparable basis as presented in the statement of comparisons of Budget and Actual	32,766,452,016	(4,391,306,520)	(28,062,173,456)	312,972,040
Basis Differences	-	-	-	-
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Actual Amount in the statement of Cash Flows	32,766,452,016	(4,391,306,520)	(28,062,173,456)	312,972,040



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Note 49. Summary of Movements on Assets

PROPERTY, PLANT AND EQUIPMENT									
	Cost/Revaluation		Additions		Balance		Accumulated depreciation		Carrying Amount
	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2021	Accumulated Depreciation as at 1/7/2020	Depreciation for the year	Total Accumulated Depreciation	Net Book Value as at 30/6/2021	
2020/2021									
Land	8,216,429,657.06	-	-	8,216,429,657.06	-	-	-	8,216,429,657.06	
Buildings	1,296,654,546.83	3,160,809,126.74	-	4,457,463,673.57	280,077,917.66	89,145,273.47	369,223,191.13	4,088,240,482.44	
office furniture	816,932,307.68	4,779,080.00	-	821,711,387.68	443,774,289.21	65,481,621.34	509,255,910.55	312,455,477.13	
Household furniture	1,456,223,931.41	-	-	1,456,223,931.41	1,346,183,649.83	72,811,196.37	1,418,994,846.20	37,229,085.21	
office equipment	3,352,930,198.32	4,130,000.00	-	3,357,060,198.32	675,969,200.82	268,344,549.18	944,313,750.01	2,412,746,448.31	
household equipment	176,889,401.00	-	-	176,889,401.00	134,950,628.29	14,087,152.10	139,037,780.38	37,851,620.62	
Machinery	3,265,287,371.07	-	-	3,265,287,371.07	1,296,047,696.25	261,222,981.69	1,557,270,677.94	1,708,016,693.13	
Motor vehicles	7,340,432,159.50	-	-	7,340,432,159.50	4,966,775,229.51	434,425,929.57	5,401,201,159.08	1,939,231,000.42	
Computer and IT equipment	1,045,438,656.68	94,025,136.92	-	1,139,463,793.60	960,425,304.29	56,030,191.62	1,016,455,495.91	103,008,297.69	
Total June 2021	26,866,116,129.45	3,263,743,263.66	-	30,129,861,393.11	10,114,203,854.55	1,261,549,297.84	11,375,753,152.69	18,754,108,241.02	
2019/2020									
Land	8,216,429,657.06	-	-	8,216,429,657.06	-	-	-	8,216,429,657.06	
Buildings	1,296,654,546.83	-	-	1,296,654,546.83	254,148,826.12	25,929,696.94	280,077,917.06	1,016,576,629.77	
office furniture	808,949,507.68	7,982,800.00	-	816,932,307.68	382,080,978.44	81,693,230.77	463,774,209.21	353,158,098.47	
Household furniture	1,435,743,931.41	20,460,000.00	-	1,456,203,931.41	1,144,155,657.60	182,027,991.43	1,326,183,649.03	130,020,282.38	
office equipment	3,344,887,068.22	8,843,100.00	-	3,353,730,168.22	451,312,857.54	224,646,323.28	675,959,180.82	2,678,770,987.40	
Household equipment	169,833,469.00	6,255,932.00	-	176,089,401.00	113,152,638.42	11,797,985.87	124,950,624.29	51,136,772.71	
Machinery	3,265,287,371.07	-	-	3,265,287,371.07	1,077,273,449.89	218,774,247.16	1,296,047,697.05	1,969,239,674.02	
Motor vehicles	4,344,218,193.50	-	2,896,193,966.60	7,240,412,160.10	3,518,688,797.61	1,448,086,431.90	4,966,775,229.51	2,273,636,929.59	
Computer and IT equipment	1,054,702,956.68	30,735,700.00	-	1,085,438,656.68	719,045,640.20	261,359,664.17	980,405,304.37	65,033,352.31	
Total June 2020	23,895,726,631.45	74,297,532.00	2,896,193,966.60	26,866,116,129.45	7,679,888,885.04	3,454,314,969.51	10,114,203,854.55	18,754,108,241.02	



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INVESTMENT PROPERTY									
	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2021	Accumulated Depreciation as at 1/7/2020	Depreciation for the year	Total Accumulated Depreciation	Net Book Value as at 30/6/2021	
2020/2021									
Land	298,697,621,000.00	-	-	298,697,621,000.00	-	-	-	298,697,621,000.00	
Buildings	130,083,466,765.03	7,952,721,301.26	68,341,773.00	138,106,532,843.29	6,198,042,694.05	2,603,453,722.37	8,801,496,416.41	129,305,036,426.88	
Total June 2021	428,781,087,765.03	7,952,721,301.26	68,341,773.00	436,004,153,843.29	6,198,042,694.05	2,603,453,722.37	8,801,496,416.41	428,002,657,426.88	
2019/2020									
Land	298,697,621,000.00	-	-	298,697,621,000.00	-	-	-	298,697,621,000.00	
Buildings	128,700,176,301.24	-	1,245,373,457.79	130,000,469,769.03	3,596,313,298.66	2,601,709,195.38	6,198,042,694.05	123,887,477,074.98	
Total June 2020	427,407,797,301.24	-	1,245,373,457.79	428,780,096,769.03	3,596,313,298.66	2,601,709,195.38	6,198,042,694.05	422,583,048,074.98	
Work in Progress	30,748,061,336.99	11,904,735,996.00	-	42,652,797,332.99	-	-	-	42,652,797,332.99	
2020/2021									
	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2021	Accumulated Depreciation as at 1/7/2020	Depreciation for the year and impairment	Total Accumulated Depreciation	Net Book Value as at 30/6/2021	
Software	652,738,721.14	-	-	652,738,721.14	546,880,075.45	65,327,335.25	612,207,410.70	40,537,310.44	
Total June 2021	652,738,721.14	-	-	652,738,721.14	546,880,075.45	65,327,335.25	612,207,410.70	40,537,310.44	
2019/2020									
	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2020	Accumulated Depreciation as at 1/7/2019	Depreciation for the year	Total Accumulated Depreciation	Net Book Value as at 30/6/2020	
Software	652,738,721.14	-	-	652,738,721.14	383,695,395.16	163,184,680.29	546,880,075.45	105,858,645.70	
Total June 2020	652,738,721.14	-	-	652,738,721.14	383,695,395.16	163,184,680.29	546,880,075.45	105,858,645.70	
GRAND TOTAL 2020/2021	456,302,047,619.63	11,216,484,364.92	68,341,773.00	467,584,853,957.54	14,899,136,624.64	3,936,124,353.18	20,795,456,979.20	446,797,402,978.34	
GRAND TOTAL 2019/2020	452,036,392,653.83	-	-	456,302,047,619.62	11,839,817,878.86	5,319,209,048.18	17,159,026,927.04	439,142,920,692.58	



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15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

50. AGED ANALYSIS

(a) RECEIVABLE ANALYSIS

ANALYSIS OF TRADE AND OTHER RECEIVABLES AGE WISE

AGING OF ACCOUNTS RECEIVABLES AS AT 30TH JUNE, 2021

SN	CUSTOMERS NAME	AGING OF ACCOUNTS RECEIVABLES AS AT 30TH JUNE, 2021						TOTAL PAYABLE Amount (TZS)
		<30 DAYS Amount(TZS)	>30-<60 DAYS Amount(TZS)	>60-<90 DAYS Amount(TZS)	>90-<365 DAYS Amount(TZS)	>365-<2 YEARS Amount(TZS)	ABOVE 2 YEARS Amount(TZS)	
1	Houses Rent to Public Servant	5,152,967,316			1,007,893,417	1,755,900,090	2,388,973,809	
2	Commercial Properties Tenants	31,879,175,563			7,651,902,135	11,476,503,293	12,761,670,225	
3	Consultancy Services	15,706,855,514			5,452,000,060	3,972,113,308	6,282,742,205	
4	Furniture Government Leaders Houses	4,444,579,003					4,444,579,003	
5	Sales of Government Houses Receivables	3,067,223,729				1,970,738,220	1,116,485,509	
6	Imprest	428,385,046			428,385,046			
7	Other Debtors	5,152,945,345			358,043,273		4,794,902,072	
8	Sales of Government Houses Receivables- NCA	5,907,374,415				5,907,374,415		
TOTAL		71,757,805,921	-	-	14,894,523,870	25,082,629,146	31,790,452,905	

AGING OF ACCOUNTS RECEIVABLES AS AT 30TH JUNE, 2020

SN	CUSTOMERS NAME	AGING OF ACCOUNTS RECEIVABLES AS AT 30TH JUNE, 2020						TOTAL PAYABLE Amount (TZS)
		<30 DAYS Amount(TZS)	>30-<60 DAYS Amount(TZS)	>60-<90 DAYS Amount(TZS)	>90-<365 DAYS Amount(TZS)	>365-<2 YEARS Amount(TZS)	ABOVE 2 YEARS Amount(TZS)	
1	Houses Rent to Public Servant	3,317,944,161			1,193,772,812	2,124,171,369		
2	Commercial Properties Tenants	31,999,626,767			6,319,831,096	23,679,995,672		
3	Consultancy Services	12,250,786,545				12,250,786,545		
4	Furniture Government Leaders Houses	4,444,579,003					4,444,579,003	
5	Sales of Government Houses Receivables	1,116,485,509				1,116,485,509		
6	Other Debtors	5,249,143,830			95,198,485	5,152,945,345		
TOTAL		59,379,865,835	-	-	9,609,802,393	44,324,384,440	4,444,879,003	



**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS AND TRANSPORT
TANZANIA BUILDINGS AGENCY**



15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continued)

(b) PAYABLE ANALYSIS

ANALYSIS OF ACCOUNTS PAYABLE AGE WISE

AGING OF ACCOUNTS PAYABLE AS AT 30TH JUNE, 2021

S/N	CUSTOMERS NAME	TOTAL PAYABLE							ABOVE 2 YEARS Amount(TZS)
		Amount (TZS)	<30 DAYS Amount(TZS)	>30<60 DAYS Amount(TZS)	>60<90 DAYS Amount(TZS)	>90<365 DAYS Amount(TZS)	>365<2 YEARS Amount(TZS)		
1	Sundry Creditors	626,822,828				87,569,644	539,253,184		
2	Bunju Claims to be Refunded	240,373,875				240,373,875			
4	Clients' Deposits	2,626,799,304				2,626,799,304			
5	Provision for liabilities	1,291,000,000						1,291,000,000	
6	Deferred Revenue	9,949,610,713				9,392,132,223	557,478,490		
	TOTAL	14,734,606,720	-	-	-	12,346,875,046	1,096,731,674	1,291,000,000	

AGING OF ACCOUNTS PAYABLE AS AT 30TH JUNE, 2020

S/N	CUSTOMERS NAME	TOTAL PAYABLE							ABOVE 2 YEARS Amount(TZS)
		Amount (TZS)	<30 DAYS Amount(TZS)	>30<60 DAYS Amount(TZS)	>60<90 DAYS Amount(TZS)	>90<365 DAYS Amount(TZS)	>365<2 YEARS Amount(TZS)		
1	Sundry Creditors	780,588,302				184,559,576	596,028,726		
2	Bunju Claims to be Refunded	336,924,035				336,924,035			
3	Deferred Revenue	1,073,314,957				938,685,957	134,629,000		
5	Clients' Deposits	11,805,974,197				11,805,974,197			
6	Provision for liabilities	1,291,000,000						1,291,000,000	
7	Loan From Financial Institutions	4,183,941,804			4,183,941,804				
	TOTAL	19,471,743,295	-	-	4,183,941,804	13,266,143,765	730,657,726	1,291,000,000	



**THE UNITED REPUBLIC OF TANZANIA
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15. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June, 2021 (Continue)

