



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



NATIONAL KISWAHILI COUNCIL

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

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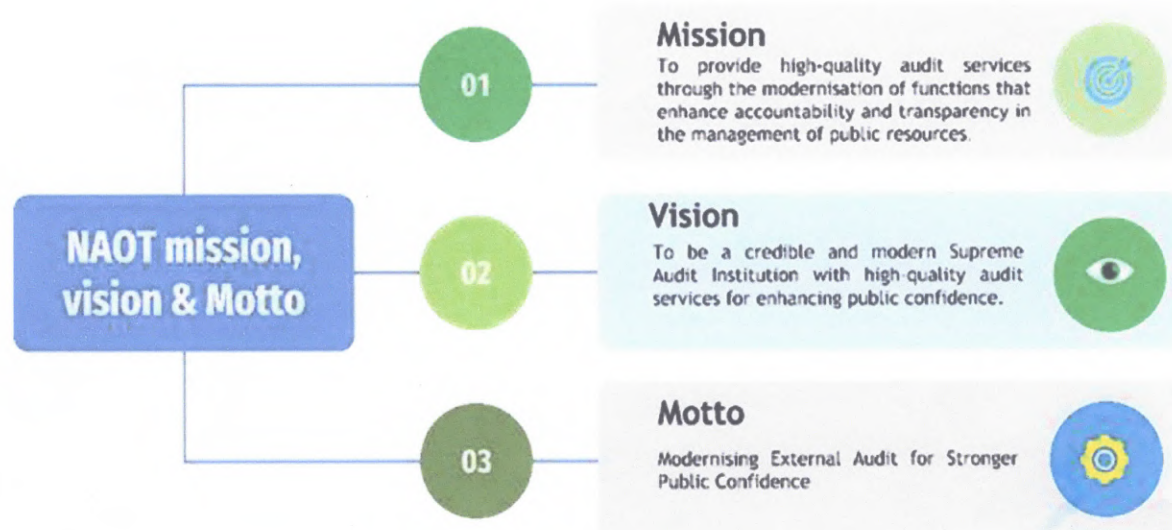
March 2024

AR/PA/BAKITA/2022/23

About the National Audit Office

Mandate

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



Independence and objectivity

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

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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Abbreviations

BAKITA	Baraza la Kiswahili la Taifa
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
URT	United Republic of Tanzania

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Permanent Secretary,
National Kiswahili Council,
P.O. Box 4766,
Dar es Salaam.

2.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of National Kiswahili Council, which comprise the statement of financial position as at 30 June 2023, and the 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 National Kiswahili Council as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual Basis.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the below section entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of National Kiswahili Council, I conducted my audit 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.

Emphasis of Matter

I draw attention to note 9 to the financial statements which indicates that on 8 October 2009 BAKITA acquired 8 apartments at Kijitonyama from the National Insurance Corporation of Tanzania (NIC) for a consideration of TZS 1.5 billion which was fully paid. However, 4 out of 8 similar apartments are a subject of a pending Court litigation at the Court of Appeal. The acquisition price of the 4 contested premises in the sum of TZS 750 million has been recognised among Property, Plant and Equipment (note 9). My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Report of Those Charged with Governance, statement of responsibility of those charged by governance and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- 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 our 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, Section 10 (2) of the Public Audit Act, Cap 418 [R.E 2021] requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

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

2.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement Laws

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

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

Conclusion

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

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

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

Conclusion

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


Wendy W. Massoy
Ag. Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2024



2.0 REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023

2.1 INTRODUCTION

The Executive Council has the pleasure in submitting its report, together with the audited financial statements of the Council for the year ended 30 June 2023. The report highlights the Council's work relationships with its stakeholders as well as its financial performance.

2.2 COUNCIL INFORMATION

The National Kiswahili Council is established by an Act of Parliament Act No.27 of 1967 (Amended 1983 & 2016). The Council is under the supervision of Ministry of Culture, Arts and Sports.

2.3 VISION OF THE COUNCIL

To be an institution which is capable legally, financially and which is recognized nationally and internationally in coordinating and promoting development of Kiswahili language.

2.4 MISSION OF THE COUNCIL

To promote the use of standard Kiswahili within and outside the nation in cooperation with other stakeholders.

FUNCTIONS OF THE COUNCIL

According to the Act of Parliament No. 27 Section 4 of 09 August 1967 as repealed by Act no. 7 of 1983 the Council has the following responsibilities:

- 1) To promote the development and usage of standard Kiswahili throughout the United Republic of Tanzania.
- 2) To co-operate with other bodies in the United Republic of Tanzania which are concerned to promote the Kiswahili language and to endeavour co-ordinate their activities.
- 3) To encourage the use of Kiswahili language in the conduct of official business and public life generally
- 4) To encourage the achievement of high standards in the use of Kiswahili language and to discourage its misuse
- 5) To co-operate with the authorities concerned in establishing standard Kiswahili translations of technical terms.
- 6) To publish a newspaper or a magazine concerned with the Kiswahili language and literature.
- 7) To provide services to the Government, public authorities and individual authors writing in Kiswahili with respect to the use of Kiswahili language.

2.5 ORGANISATION STRUCTURE

The day-to-day activities of the Council are managed by the Secretary General who is the Chief Executive Officer. The Secretary General is accountable to the Executive Council which is obliged to meet at least once in every three months and is the highest policy making body of the Council.

2.6 COMPOSITION OF THE EXECUTIVE COUNCIL

The composition of the Executive Council includes elected members. It is led by a chairperson elected by the Minister responsible of Culture, Arts and Sports. However, for this particular financial year there was no Board because the last Board's tenure ceased on 23 January 2021.

2.7 SOLVENCY EVALUATION

The Government has no intention to cease its subventions to the Council. Therefore, nothing has come to the attention of the management to indicate that the Council will not operate as a going concern in the foreseeable future.

2.8 EMPLOYEE WELFARE

2.8.1 Relationship between Management and Employees

The Council believes that its employees should find working for the Council an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Council. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward.

The Council is convinced that equal opportunities for all, irrespective of ethnicity, race, gender, disability or religion, should be pursued. The Council accepts that it is only through total commitment, loyalty and dedication of its employees will be able to achieve its goal. The Council provides various benefits to staff such as long service awards for retiring employees, best worker rewards and Sports bonanza.

Employees are members of Public Service Social Security Fund (PSSSF). The Government through Treasury contributes 15% of basic salary of each employee to the fund while employees contribute 5% of their salaries. During the year the total amount of TZS 125,262,600 was contributed to PSSSF compared to the previous year TZS 99,110,100. The Council operates an insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF), employees contribute 3% of their gross salary. During the year the total amount of TZS 25,052,520 was contributed to NHIF compared to the previous year TZS 19,822,020.

2.8.2 Equal Opportunity Employer

The Council is an equal opportunity employer and gives disabled persons opportunities for those vacancies that they are able to fill.

2.9 FINANCIAL POSITION

i) Overview of the financial position

	2022/23	2021/22	Change
	TZS' Million	TZS' Million	%
Property, plant and equipment	1,842	1,080	70%
Current assets	72	803	-91%
Total liabilities	153	144	6%
Net assets	1,761	1,739	1%

ii) Property, plant and equipment (PPE)

The 70% increase from previous year is attributed to rehabilitation of buildings and acquisition of computers and furniture amounting to TZS 110 million and recognition into PPE the purchase price in the sum of TZS 750 million pertaining to 4 apartments which were acquired from the National Insurance Corporation of Tanzania (NIC) but were previously occupied by former employees of NIC who challenged in Court of Law the sale of the apartments to the Council.

iii) Current assets

The 91% decrease in total current assets from last year is mainly due to transfer of the purchase price of TZS 750 million in respect of 4 apartments which were acquired from NIC from 'Advance Payments' to PPE.

iv) Total liabilities

The 6% slight increase from previous year due to purchase of dictionaries on credit from Longhorn Publishers Limited. The dictionaries were donated to the Members of Parliament.

v) Net assets

Net assets have remained more or less at the same level.

2.10 FINANCIAL PERFORMANCE

i) Overview of financial performance / results

	Actual	Budget	Change
Details	TZS' Million	TZS' Million	%
Revenue: from non-exchange transactions	1,494	1,407	6%
Revenue: from exchange transactions	347	416	-17%
Salaries, wages and employee benefits	1,392	1,334	-4%
Direct expenses	50	76	-35%
Supplies and consumables	233	240	-3%
	Year 2023	Year 2022	
Surplus	22	279	-92%

ii) Revenue from non-exchange transactions

The favorable 6% variation was occasioned by the Council receiving higher salaries than budgeted due to some employees were transferred to the Council.

iii) Revenue from exchange transactions

The unfavorable 17% variance was attributed to lower volume of translation works.

iv) Salaries, wages and employee benefits

The 4% overrun occurred because there was no budget for new employees who were transferred from other Government departments to the Council.

v) Direct expenses

There were fewer trainings than anticipated, hence, lower training expenses incurred by 35%.

vi) Supplies and consumables

Tight control of procurement of supplies and consumables resulted into 3% savings as compared to budget.

vii) Surplus

During the year, the Council reported a surplus of TZS 22.1 million (2021/22: TZS 278.9 million), the decrease as compared to previous year is due to the treatment of funds for acquisition of a motor vehicle and translation equipment amounting to TZS 279.5 million as part of non-exchange income in 2021/22 which resulted into huge surplus

2.11 IMPLEMENTATION OF THE PLAN AND BUDGET 2022/23

The Council planned to implement activities worth TZS 1.824 billion, the actual achievements of implementation was TZS 1.821 billion equals to 99% of the entire budget. The setting of the

plan was based on bottom-up approach, where by all stakeholders from the lower level were given equal opportunities to participate in the whole budgeting process to plan their needs according to priority and available scarce resources.

Main achievements for the financial year 2022/2023 were as follows:

- i. The Council conducted World Kiswahili Day, and one of the main achievement was the Government of Tanzania signed Memorandum of Understanding with the Government of South Africa for teaching Kiswahili in all Primary schools;
- ii. The Council opened Kiswahili centres in Tanzania Embassies in the following countries: Nertherland, Italy, Zimbambwe, Nigeria and Abu Dhabi;
- iii. The Council conducted training for capacity building to diaspora in teaching Kiswahili to foreigners in the following countries: Nertherland, Italy, Zimbambwe, Nigeria, Abu Dhabi, Malawi and Rwanda;
- iv. The Council donated 1,640 Kiswahili books to universities and centres that teach Kiswahili to 9 European countries;
- v. The Council denoted 32 Furahia Kiswahili books to each Tanzania Embassies. These books are used in learning and teaching Kiswahili as a foreign language;
- vi. Conducted International Broadcasting conference, in Zanzibar from 14 up to 18 March 2023;
- vii. Radio and Television programmes were conducted as planned;
- viii. Continued teaching Kiswahili to foreigners and having Kiswahili examinations for foreigners;
- ix. Rehabilitated 2 buildings at BAKITA Headquarter;
- x. A database for Kiswahili experts was developed. For the year 2022/23 a total of 300 Kiswahili experts were registered in that database to make a grand total of 1,166 experts;
- xi. The Council provided consultancy services to the government and the public in translations, writing, editing and publishing with respect to Kiswahili;
- xii. Seminar for members of mass media on the proper use of Kiswahili was conducted as planned;
- xiii. Teaching of tutors for Kiswahili as a foreign language was conducted; and
- xiv. Trained BAKITA Staff (Teaching Swahili to foreigners) on how to conduct classes via zoom platform and train foreigners online;
- xv. The Council conducted training for capacity building to Interpreters;
- xvi. The Council continued to develop Kiswahili corpus by adding 27,500,000 words; and
- xvii. The Council conducted language proficiency testing.

Implementation of Procurement Plan

For the financial year 2022/23, the Council planned to use TZS 130 million for rehabilitation of buildings and procuring computers and ICT related devices and furniture. The actual expenditure for rehabilitation of buildings and procuring computers and furniture was TZS 110 million

2.12 FUTURE PLANS OF THE COUNCIL

In the next financial year, the Council shall strive to at least have full powers and statutory authority to supervise and coordinate development of Kiswahili language within and outside Tanzania. It is the intention of the Council to enhance its operations in order to improve its sources of revenue and advertise its activities out of dependence from central government funding. Also, the Council is striving to ensure that there exists good working environment for its staff in general by rehabilitating the new building with enough space at Kijitonyama as well as acquiring up to date equipment like computers and printing press.

The following are the plans for the financial year 2023/2024:

- i. To standardize Kiswahili terminologies;
- ii. Commercialisation of Kiswahili worldwide;
- iii. To prepare and conduct radio and televisions programmes;
- iv. To recognize & register Institutions and Centres which teach Kiswahili to foreigners;
- v. To conduct seminars for members of mass media on the proper use of Kiswahili radio, newspaper and television for six regions;
- vi. To print 2 publications;
- vii. To conduct International Kiswahili Day;
- viii. To conduct capacity building to interpreters with well advanced instruments installed at the council offices;
- ix. To conduct capacity building to teachers of Kiswahili for foreigners and to run seminars for strengthening the teaching skills of Kiswahili teachers for foreigners and capacity building of translators; and
- x. To conduct three classes abroad for teaching Kiswahili for foreigners in collaboration with Diasporas/Ambassadors.

2.13 COUNCIL SOCIAL RESPONSIBILITIES

Special need

The Council upholds its policy of being a socially responsible organization. The council has implemented a responsibility scheme as a way of interacting with the society. Council fulfils its core functions of promoting the development and usage of standard Kiswahili throughout Tanzania and to participate fully in the establishment of Kiswahili Commission for East Africa.

Gender

The Council ensures gender balancing in all its managerial and other day to day responsibilities. BAKITA has 43 permanent employees, out of these men are 23 and women are 20.

Environment

The Council ensures that all publication works undertaken are environmentally friendly and all other Council's activities meets the BAKITA environment regulations. BAKITA has been doing translations of different environmental documents, journals and other publications from different languages into Kiswahili and also been conducting media programmes for environmental conservations.

HIV/AIDS

The Council has been joining hands with the nation in the fight against HIV/AIDS. The Council provides in-house education to its staff. The Council is currently compiling terminologies for the HIV/AIDS specialised dictionary.

2.14 AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor of National Kiswahili Council by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified by section 32(4) of the Public Audit Act, Cap 418. However, pursuant to section 33(1) of the Act, Philip & Co (Certified Public Accountants- Public Practice) were authorized to carry out Audit of National Kiswahili Council on behalf of the Controller and Auditor General for the financial year ended 30 June 2023.



Gerson Msigwa
Permanent Secretary



Consolata P. Mushi
Executive Secretary

Date 18/03/2024

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The National Kiswahili Council Financial Rules and Regulations, 2018 requires The National Kiswahili Council management to prepare Financial Statements of the Council for each financial year, as at the end of the financial period that gives a true and fair view of the state of affairs of the Council for that period.

The Board of Directors confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgement and estimates have been made in the preparation of the financial statements for the year ended 30 June 2023. The Board of Directors also confirms that the International Public Sector Accounting Standards (IPSAS) have been followed and that the financial statements have been prepared on the going concern basis.

The Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and which enable them to ensure that the financial statements comply with the National Kiswahili Council Regulations. They are also responsible for safeguarding the assets of the Council and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act, 2011 and Regulations, 2013 (as amended in 2016).



Gerson Msigwa
Permanent Secretary



Consolata P. Mushi
Executive Secretary

Date 18/03/2024

4.0 DECLARATION OF THE HEAD OF FINANCE / ACCOUNTING OF THE NATIONAL KISWAHILI COUNCIL

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

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

I, **CPA HANS H. MBELLA**, being the Head of Finance/Accounting of National Kiswahili Council hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view in all material respect, the financial position, financial performance and cash flows of the National Kiswahili Council (BAKITA) as at 30 June 2023, in accordance with the International Public Sector Accounting Standards (IPSAS) and that they have been prepared based on properly maintained financial records.

Name: CPA HANS H. MBELLA

Signature: 

Position: Director - Corporate Services

NBAA Membership No.: ACPA 2637

Date: 18/03/2024.

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		2022/23 TZS	2021/22 TZS
ASSETS	NOTES		
Current Assets			
Cash and cash equivalents	5	39,348,951	18,179,792
Advance payment	6	-	750,000,000
Accounts receivable	7	15,900,000	7,400,000
Inventory	8	17,085,772	27,206,634
Total Current Assets		72,334,723	802,786,426
Non-Current Assets			
Property, plant and equipment	9	1,842,463,138	1,080,244,394
TOTAL ASSETS		1,914,797,861	1,883,030,820
LIABILITIES			
Current Liabilities			
Accruals and payables	10	80,553,221	70,966,401
Long Term Liabilities			
Loan	11	72,555,000	72,555,000
TOTAL LIABILITIES		153,108,221	143,521,401
NET ASSETS		1,761,689,640	1,739,509,419
NET ASSETS / EQUITY			
Taxpayers' fund		1,772,621,500	1,772,621,500
Accumulated deficit		(10,931,860)	(33,112,081)
NET ASSETS		1,761,689,640	1,739,509,419

Notes are an integral part of the financial statements which were approved by the Executive Council and authorized for issue and signed on its behalf by:



Gerson Msigwa
Permanent Secretary

Date 18/03/2024



Consolata P. Mushi
Executive Secretary

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	2022/23 TZS	2021/22 TZS
Revenue			
Revenue from non-exchange transactions	12	1,494,672,215	1,308,803,555
Revenue from exchange transactions	13	355,764,950	393,540,153
Total revenue		1,850,437,165	1,702,343,708
Expenses			
Cost of sales	14	5,215,918	10,253,182
Salaries, wages & employee benefits	15	1,392,646,243	999,575,493
Direct expenses	16	50,068,667	86,786,132
Supplies and consumables	17	233,869,269	190,886,824
Maintenance expenses	18	22,424,067	13,777,294
Treasury Registrar contribution	19	-	2,000,000
Audit fees		25,600,000	30,259,200
Depreciation	9	98,432,780	89,881,390
Total expenses		1,828,256,944	1,423,419,515
Surplus for the year		22,180,221	278,924,193

Notes are an integral part of the financial statements which were approved by the Executive Council and authorized for issue and signed on its behalf by:



Gerson Msigwa
Permanent Secretary



Consolata P. Mushi
Executive Secretary

Date 18/03/2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	2022/23 TZS	2021/22 TZS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Revenue from non-exchange transactions	20(a)	1,494,672,215	1,308,803,555
Revenue from exchange transactions	20(a)	347,264,950	390,140,153
Total receipts		1,841,937,165	1,698,943,708
Payments			
Cost of books sold	20(b)	4,840,800	3,640,000
Salaries, wages & employee benefits	20(c)	1,405,211,243	987,850,361
Direct expenses	20(d)	50,068,667	86,786,132
Supplies and consumables	20(e)	203,394,725	182,097,770
Maintenance expenses	20(f)	22,044,048	13,777,294
Treasury Registrar contribution	20(g)	-	2,000,000
Audit fees	20(h)	24,557,000	20,520,000
Total cash payments		1,710,116,483	1,296,671,557
Net cash inflows from operating activities		131,820,682	402,272,151
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(110,651,523)	(327,454,458)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans repayment	20(i)	-	(66,581,127)
Net change in cash and cash equivalents		21,169,159	8,236,566
Cash and cash equivalents:			
At the beginning of the period	5	18,179,792	9,943,226
At the end of the period	5	39,348,951	18,179,792

Notes are an integral part of the financial statements.



Gerson Msigwa
Permanent Secretary



Consolata P. Mushi
Executive Secretary

Date 18/03/2024

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Taxpayer Fund	Accumulated Surplus/ (Deficit)	TOTAL
		TZS	TZS
Balance As At 1 July 2021	1,772,621,500	(312,036,274)	1,460,585,226
Surplus for the Year	-	278,924,193	278,924,193
Balance As At 30 June 2022	1,772,621,500	(33,112,081)	1,739,509,419
Balance As At 1 July 2022	1,772,621,500	(33,112,081)	1,739,509,419
Surplus for the Year	-	22,180,221	22,180,221
Balance As At 30 June 2023	1,772,621,500	(10,931,860)	1,761,689,640

Notes are an integral part of the financial statements.



Gerson Msigwa
Permanent Secretary



Consolata P. Mushi
Executive Secretary

Date 18/03/2024

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Original Budget {A}	Final Budget {B}	Actual on Comparable Basis {C}	Difference {C-B}	Percentage of Difference
Revenue						
Revenue from non-exchange transactions	20(a)	1,407,163,620	1,407,163,620	1,494,672,215	87,508,595	6%
Revenue from exchange transactions	20(a)	416,750,000	416,750,000	347,264,950	(69,485,050)	-17%
Total Revenue		1,823,913,620	1,823,913,620	1,841,937,165	18,023,545	1%
Payments						
Cost of books sold	20(b)	100,000	100,000	4,840,800	(4,740,800)	-4,741%
Salaries, Wages & Employee Benefits	20(c)	1,334,466,620	1,334,466,620	1,405,211,243	(70,744,623)	-45%
Direct expenses	20(d)	76,600,000	76,600,000	50,068,667	26,531,333	35%
Supplies and consumables	20(e)	240,747,000	240,747,000	203,394,725	37,352,275	15%
Maintenance expenses	20(f)	38,000,000	38,000,000	22,044,048	15,955,952	42%
TR Contribution	20(g)	8,000,000	8,000,000	-	8,000,000	100%
Audit Fees	20(h)	20,000,000	20,000,000	24,557,000	(4,557,000)	-23%
Acquisition of property, plant, and equipment	5	106,000,000	106,000,000	110,651,523	(4,651,523)	-4%
Debt repayments		-	-	-	-	
Total Payments		1,823,913,620	1,823,913,620	1,820,768,006	3,145,614	0.2%
Net Payments		-	-	21,169,159	21,169,159	

Explanations on Budget and Actual Variance are in Note 21.
Notes are an integral part of the financial statements.

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

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

2. BASIS OF PREPARATION

These annual financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) of the International Accounting Standards Board and are consistent with those from the previous year.

The annual financial statements are prepared on the historical cost. The annual financial statements are prepared on a going concern basis.

The annual budget is prepared on cash basis, and the budget period is 12 months ended 30 June 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Cash and cash equivalents

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

2.2 Employment benefits

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognized on accrual basis.

The Council operates a defined contribution plan. Employees are members of PSSSF. The Government through Treasury contributes for each employee out of the basic salary. Additionally, the Council operate insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF).

2.3 Revenue from exchange transactions

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. Revenue is reduced for estimated customer returns, rebates, and other similar allowances. Incomes collected are accounted

for on accrual basis. When grants are related to an expense item, it is recognised as revenue over the year necessary to match the grant on systematic basis to the costs that it is intended to pay.

2.4 Government grants and development funds

Government grants with conditions are recorded as capital fund on receipt and released to the statement of financial performance upon utilization. Government grants without conditions are recognised in the statement of financial performance in the period in which they are received.

Services-in-kind (if any) are not recognised as revenue but are disclosed in the financial statements.

2.5 Subvention from Treasury

Subvention comprises of funds received from Treasury to cater for operational costs. These are credited to the statement of financial performance in the period in which they are received.

2.6 Property, plant and equipment

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria. Depreciation is calculated on a straight-line basis over the useful life of the assets. The annual rates of depreciation which have been consistently applied are as provided below.

Table 6: Depreciation rates of property, plant and equipment

These rates are as per Council's financial regulations.

Description	Rate	Years
Land	NIL	
Buildings	2%	50
Plant and machinery	10%	10
Furniture, fixture and equipment	10%	10
Motor vehicles	25%	4
Computer hardware	25%	4

The Council has adopted the provisions of Section 95 of IPSAS 17 Property, Plant and Equipment.

The carrying values of cash -generating property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. However, no impairment loss has been discovered during 2022/23 in the National Kiswahili Council financial statements.

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

The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end.

2.7 Intangible assets

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

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

2.8 Provisions

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

2.9 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

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

borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Investments and other financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. No any transaction has been made during the period.

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

2.11 Financial risk management

The overall risk management focuses on unpredictable financial markets and is aimed at minimizing potential adverse effects on the council's financial performance. The final responsibility of the council's risk management is primarily vested in the hands of the Executive council. Management has a duty of developing and maintaining adequate operational and financial internal control systems.

a) Liquidity Risk Management

The Council has a prudent liquidity risk management procedures policy through maintaining sufficient cash to cover committed credit facilities and working capital requirements as budgeted in each financial year based on the approved funds disbursed to the council from the Government, donors as well as own generated funds.

Maturity profile of non-derivative financial liabilities based on the contractual cash flows, including Loans due to Books publication contracts as follows:

	Carrying amount	Contractual cash flows	Within 1 Year	More than 1 Year
YEAR 2023	TZS	TZS	TZS	TZS
Longhorn Publishers Plc	10,500,000	10,500,000	10,500,000	-
Books Publishers contract	72,555,000	72,555,000	-	72,555,000
Total	83,055,000	83,055,000	10,500,000	72,555,000

There is low liquidity risk on the amounts due to related parties, as settlement can be rearranged and terms of obligations can be renegotiated by virtue of the parties 'relationship, and at under arm's length. Low liquidity risk is also attached to the accruals and other payables the Council ensures that they are followed up and settled immediately when they fall due.

b) Credit Risk Management

The potential credit risk involves short-term cash and receivables which are managed as follows:

Short term cash surpluses

The Council may deposit with Banks of high credit reputation its short- term surpluses.

Receivables

The Council's receivables mainly constitute of office rent. The management of the Council endeavors to ensure that the tenants pay the rental bills intact and promptly. The asset is past due but not impaired with age of more than one year.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgments

In the process of applying the Council's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

For determination of the useful lives of property, plant and equipment, Management uses reasonable judgment in determining the useful lives and hence depreciation rates of the items of property, plant and equipment.

NOTES**5 CASH AND CASH EQUIVALENTS**

	30.06.2023	30.06.2022
	TZS	TZS
Petty Cash	1,182,905	1,384,706
NMB Bank House A/C 20101100005	4,930,000	13,088,104
NMB Bank House A/C 20101100019	16,305,650	125,765
BOT A/C9925262681	16,930,396	3,581,217
Total	39,348,951	18,179,792

6 ADVANCE PAYMENT

National Insurance Corporation of Tanzania	<u>-</u>	<u>750,000,000</u>
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This pertains to the purchase consideration of 4 out of 8 apartments the Council paid to the National Insurance Corporation of Tanzania (NIC) for the acquisition of the apartments in 2009. The 4 apartments were occupied by former employees of NIC, who brought a litigation under Land case No. 126/2019 against the sale by NIC to the Council and they refused to vacate the premises. The case was dismissed but the aggrieved by the judgement they appealed and filed a Civil Appeal No. 291/2020 which is still pending in the Court. The Council has taken possession and transferred ownership of all the 8 apartments, furthermore it has rehabilitated the premises for TZS 229 million. In this regard, the purchase consideration is the sum of TZS 750 million in respect of the contested 4 apartments has been transferred in 2022/23 to Property, plant and equipment (Note 9).

7 ACCOUNTS RECEIVABLE

Rent receivable	<u>15,900,000</u>	<u>7,400,000</u>
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8 INVENTORY

Kamusi Kuu ya Kiswahili	453,600	32,500
Other books	<u>16,632,172</u>	<u>27,174,134</u>
Total	<u>17,085,772</u>	<u>27,206,634</u>

9 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Plant and machinery	Furniture /furniture	Computers/ Equipment	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COST							
As at 1 st July 2022	433,923,048	479,957,905	118,000,000	1,800,000	102,565,578	261,319,580	1,397,566,111
Additions	-	65,887,783	-	-	23,015,540	21,748,200	110,651,523
Adjustment	433,923,048	316,076,952	-	-	-	-	750,000,000
Disposals	-	-	(26,000,000)	-	-	-	(26,000,000)
As at 30 th June 2023	<u>867,846,096</u>	<u>861,922,640</u>	<u>92,000,000</u>	<u>1,800,000</u>	<u>125,581,118</u>	<u>283,067,780</u>	<u>2,232,217,634</u>

ACCUMULATED DEPRECIATION

As at 1 st July 2022	-	108,671,687	49,000,000	1,620,000	80,357,967	77,672,062	317,321,716
Charge for the year	-	17,238,453	23,000,000	180,000	4,015,150	53,999,177	98,432,780
Disposals	-	-	(26,000,000)	-	-	-	(26,000,000)
As at 30 th June 2023	<u>-</u>	<u>125,910,140</u>	<u>46,000,000</u>	<u>1,800,000</u>	<u>84,373,117</u>	<u>131,671,239</u>	<u>389,754,496</u>

NET CARRYING VALUE

As at 30 th June 2023	<u>867,846,096</u>	<u>736,012,500</u>	<u>46,000,000</u>	<u>-</u>	<u>41,208,001</u>	<u>151,396,541</u>	<u>1,842,463,138</u>
As at 30 th June 2022	<u>433,923,048</u>	<u>371,286,218</u>	<u>69,000,000</u>	<u>180,000</u>	<u>22,207,611</u>	<u>183,647,518</u>	<u>1,080,244,394</u>

	Land	Buildings	Motor vehicles	Plant and machinery	Furniture /furniture	Computers/ Equipment	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COST							
As at 1 st July 2021	433,923,048	471,875,767	26,000,000	1,800,000	89,348,538	47,164,300	1,070,111,653
Additions	-	8,082,138	92,000,000	-	13,217,040	214,155,280	327,454,458
As at 30 th June 2022	<u>433,923,048</u>	<u>479,957,905</u>	<u>118,000,000</u>	<u>1,800,000</u>	<u>102,565,578</u>	<u>261,319,580</u>	<u>1,397,566,111</u>

ACCUMULATED

DEPRECIATION

As at 1 st July 2021	-	89,473,371	26,000,000	1,440,000	76,060,235	34,466,720	227,440,326
Charge for the year	-	19,198,316	23,000,000	180,000	4,297,732	43,205,342	89,881,390
As at 30 th June 2022	<u>-</u>	<u>108,671,687</u>	<u>49,000,000</u>	<u>1,620,000</u>	<u>80,357,967</u>	<u>77,672,062</u>	<u>317,321,716</u>

NET CARRYING

VALUE

As at 30 th June 2022	<u>433,923,048</u>	<u>371,286,218</u>	<u>69,000,000</u>	<u>180,000</u>	<u>22,207,611</u>	<u>183,647,518</u>	<u>1,080,244,394</u>
As at 30 th June 2021	<u>433,923,048</u>	<u>382,402,396</u>	<u>-</u>	<u>360,000</u>	<u>13,288,303</u>	<u>12,697,580</u>	<u>842,671,327</u>

9.1 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

4 out of 8 apartments worth TZS 750 million (acquisition price) are a subject of litigation brought by 4 former employees of NIC who wanted to be given a first right of refusal to purchase the premises, thus they are contesting the sale of the premises to the Council and they initially refused to vacate the premises until they were forcibly removed out. The judgment was not in their favour; hence, they have appealed to the Court of Appeal. The ongoing matter is a Civil Appeal No. 291/2020. Following the removal of the Appellants, the Council took vacant possession of the contested 4 premises and ownership of all the premises has been transferred into the name of the Council. Consequently, the purchase cost of the premises and surrounding land has been recognised into Property, plant and equipment in 2022/23.

10 ACCRUALS AND PAYABLES

	30.06.2023 TZS	30.06.2022 TZS
Audit Fees	39,962,200	38,919,200
Responsibility Allowance	6,270,500	6,270,500
Extra duty	-	250,000
Special allowance	-	5,400,000
House allowance	-	4,200,000
Utility allowance	360,000	3,075,000
E-Government	8,172,854	8,789,053
Suma JKT	10,845,000	-
Longhorn	10,500,000	-
TEMESA	4,062,648	4,062,648
Kestem Investment Limited	380,019	-
Total	80,553,221	70,966,401

11 LONG TERM LOAN

Educational Book Publishers Limited	72,555,000	72,555,000
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12 REVENUE FROM NON-EXCHANGE TRANSACTIONS

	2022/23 TZS	2021/22 TZS
Personnel emoluments	989,574,540	803,195,700
Other charges	179,697,675	159,505,325
Development revenue	300,000,000	-
Grants - fixed assets	-	279,500,000
Donations	25,400,000	66,602,530
Total	1,494,672,215	1,308,803,555

13 REVENUE FROM EXCHANGE TRANSACTIONS

	2022/23 TZS	2021/22 TZS
Translation & Imprimatur income	288,738,000	271,353,200
Publication income	11,417,150	78,923,584
Miscellaneous income	55,609,800	43,263,369
Total	355,764,950	393,540,153

14 COST OF BOOKS SOLD

Opening stock	27,206,634	33,819,816
Purchase of books	15,340,800	3,640,000
Goods available for sale	42,547,434	37,459,816
Less: closing stock	(17,085,772)	(27,206,634)
Donations	(20,245,744)	-
Cost of sales	5,215,918	10,253,182

15 SALARIES, WAGES AND EMPLOYEE BENEFITS

Salaries and Wages	834,984,400	677,435,671
PSSSF	125,262,600	99,110,100
National Health Insurance Fund	25,052,520	19,822,020
Workers Contribution Fund	4,175,420	3,303,670
PSSSF Debt	23,592,960	-
Per diem Allowance	164,149,000	51,770,132
House Allowance	16,800,000	16,800,000
Sitting Allowance	18,230,000	6,200,000
Leave Travel	7,864,000	5,522,200
Training expenses	9,995,000	4,855,000
Utility	12,300,000	10,680,000
Honoraria	11,616,000	15,002,500
Terminal benefits	-	2,115,000
Extra Duty	28,079,000	32,488,500
Special allowance	27,400,000	20,400,000
Air tickets	38,999,343	-
Ground Travel	44,146,000	34,070,700
Total	1,392,646,243	999,575,493

16 DIRECT EXPENSES

Remuneration to Instructors	50,068,667	65,656,132
Kamusi project	-	21,130,000
Total	50,068,667	86,786,132

17 SUPPLIES AND CONSUMABLES

	2022/23 TZS	2021/22 TZS
Telephone, Internet and Postage	12,691,800	14,813,054

Electricity	20,940,000	15,400,000
Office Consumables	23,676,840	17,962,950
Advertisement	19,883,000	3,586,000
Burial Expenses	3,000,000	800,000
Casual labour	8,920,000	5,100,000
Conference Facilities	3,690,325	22,150,000
Food and Refreshment	29,985,060	22,072,300
Security expenses	24,780,000	18,690,000
Gifts and Prizes	1,414,600	300,000
Water Bills	2,082,300	1,071,600
Fuel and Oils	34,759,600	18,506,120
Broadcasting conference	-	50,404,800
Bank charges	-	30,000
Donations - books	20,245,744	-
MASIKIDU (Maazimisho ya Kiswahili Duniani)	27,800,000	-
Total	233,869,269	190,886,824
18 MAINTENANCE EXPENSES		
Maintenance -buildings	13,537,380	9,418,424
Repair and maintenance -motor vehicle	8,886,687	4,358,870
Total	22,424,067	13,777,294
19 TREASURY REGISTRAR CONTRIBUTION		
TR Contribution	-	2,000,000
20 RECONCILIATIONS OF ACTUAL AMOUNTS ON A COMPARABLE BASIS AND ACTUAL AMOUNT ON THE FINANCIAL STATEMENTS		
20(a) CASH RECEIPTS		
Revenue from non-exchange transactions	1,494,672,215	1,308,803,555
Revenue from exchange transactions	355,764,950	393,540,153
(Increase)/decrease in receivables	(8,500,000)	(3,400,000)
Net Revenue from exchange transactions	347,264,950	390,140,153
CASH PAYMENTS		
	2022/23	2021/22
	TZS	TZS
20(b) COST OF GOODS SOLD		
Purchase of books	15,340,800	3,640,000
Less: closing balance payable - Longhorn	(10,500,000)	-
Cash payment	4,840,800	3,640,000

20(c) SALARIES, WAGES AND EMPLOYMENT BENEFITS

Salaries, wages and benefits	1,392,646,243	999,575,493
Add: payables at 1 July	19,195,500	7,470,368
Less: payables at 30 June		
Responsibility Allowance	(6,270,500)	(6,270,500)
Special allowance	-	(5,400,000)
House allowance	-	(4,200,000)
Utility allowance	(360,000)	(3,075,000)
Terminal benefits	-	(8,789,055)
Extra duty	-	(250,000)
Cash payment	<u>1,405,211,243</u>	<u>979,061,306</u>

20(d) DIRECT EXPENSES

Direct expenses - cash payment	<u>50,068,667</u>	<u>86,786,132</u>
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20(e) SUPPLIES AND CONSUMABLES

Supplies and consumables	233,869,269	190,886,824
Add: payables at 1 July	8,789,054	-
Less: payables at 30 June		
Suma JKT	(10,845,000)	-
E-Government	(8,172,854)	(8,789,054)
Donations - books	(20,245,744)	-
Cash payment	<u>203,394,725</u>	<u>182,097,770</u>

20(f) MAINTENANCE EXPENSES

Maintenance expenses	22,424,067	13,777,294
Less: payables at 30 July - Kestem	(380,019)	-
Cash payment	<u>22,044,048</u>	<u>13,777,294</u>

20(g) TREASURY REGISTRAR CONTRIBUTION

TR contribution - cash payment	<u>-</u>	<u>2,000,000</u>
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20(h) AUDIT FEE

Audit fee	25,600,000	30,259,200
Add: payables 1 July	38,919,200	29,180,000
Less: payables at 30 June	(39,962,200)	(38,919,200)
Cash payment	<u>24,557,000</u>	<u>20,520,000</u>

20(i) LOANS

Payables 30 June	72,555,000	72,555,000
Payables at 1 July	(72,555,000)	(139,136,127)
Cash payment	<u>-</u>	<u>(66,581,127)</u>

21: EXPLANATION ON BUDGET AND ACTUAL VARIANCE

	12	Reasons for variance
Revenue		
Revenue from non-exchange transactions	6%	Favorable variation was occasioned by the Council receiving higher salaries than budgeted due to some employees were transferred to the Council.
Revenue from exchange transactions	(17%)	Unfavorable variance was attributed to lower volume of translation works.
Payments		
Cost of books sold	(4,741%)	Due to unforeseen demand triggered by the Government directive to supply books to our Embassies. The Council bought more books for sale to meet the order.
Salaries, wages & employee benefits	(4%)	There was no budget for new employees transferred from other Government departments to the Council.
Purchase of property, plant and equipment	(4%)	Budget overrun due to higher building rehabilitation cost than anticipated.
Audit fee	(23%)	The un-claimable VAT component and 10% administration charge by NAOT was not budgeted for.

22: CAPITAL COMMITMENTS

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

23: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2023.

24: RELATED PARTY TRANSACTIONS

These represent transaction in respect of Executive Council members and key management personnel's remuneration. The related party transactions are in respect of the following:

Detail	2022/23	2021/22
	TZS	TZS
Executive Council members remuneration	-	-
Key management staff remuneration	469,098,000	392,316,000

25: RECONCILIATION OF DEFICIT/SURPLUS FROM ORDINARY ACTIVITIES WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

	2022/23	2021/22
	TZS	TZS
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (Deficit) for the year	22,180,221	278,924,194

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Depreciation	98,432,780	89,881,390
Change in Accounts Receivable	(8,500,000)	(3,400,000)
Change in Inventory	10,120,862	6,613,182
Change in Accruals and payables	9,586,819	30,253,386
Net cash flows from operating activities	131,820,682	402,272,152
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(110,651,523)	(327,454,458)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Longhorn Publishers Plc debt repayment	-	(66,581,127)
 Net increase in cash and cash equivalents	21,169,159	8,236,5667
Cash and cash equivalents:		
At the beginning of the period	18,179,792	9,943,226
At the end of the period	39,348,951	18,179,7923