

THE UNITED REPUBLIC OF TANZANIA

Tanzania Shipping Agencies Corporation



ANNUAL REPORT
2020/2021



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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 and in Section 10 (1) of the Public Audit Act, Cap 418 (R.E 2021).

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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TABLE OF CONTENTS

LIST OF ABBREVIATIONS	iii-iv
LETTER OF TRANSMITTAL.....	v
STATEMENT OF THE BOARD CHAIRMAN.....	vi-vii
STATEMENT OF THE DIRECTOR GENERAL	viii-x
CORPORATE INFORMATION.....	xiv
THE REPORT BY THOSE CHARGED WITH GOVERNANCE	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	65
DECLARATION OF THE HEAD OF FINANCE	66
INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL.....	67-70
FINANCIAL STATEMENTS:.....	71
STATEMENT OF FINANCIAL POSITION.....	71
STATEMENT OF FINANCIAL PERFORMANCE.....	72
STATEMENT OF CHANGES IN NET ASSETS	73
CASH FLOW STATEMENT.....	74
STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS.....	75
NOTES TO THE FINANCIAL STATEMENTS	76-127

LIST OF ABBREVIATIONS

Abbreviation	Meaning
APP	Annual Procurement Plan
BoT	Bank of Tanzania
CFS	Container Freight Station
COVID-19	Corona Virus Disease – 2019
CSR	Corporate Social Responsibility
DMI	Dar es Salaam Maritime Institute
ECD	Empty Container Depot
eGA	e-Government Authority
EWURA	Energy and Water Utilities Regulatory Authority
GePG	Government Electronic Payment Gateway
GPSA	Government Procurement Services Agency
ICD	Inland Container Depot
ICT	Information and Communications Technology
IFMIS	Integrated Financial Management Information System
IMO	International Maritime Organization
IOMOU	Indian Ocean Memorandum of Understanding
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISCOS	Inter-governmental Standing Committee on Shipping
ISO	International Organization for Standardization
ISPS	International Ship and Port Facility Security
ISSAI	International Standard of Supreme Audit Institutions
JNIA	Julius Nyerere International Airport
KIA	Kilimanjaro International Airport
LATRA	Land Transport Regulatory Authority
MLVMCTP	Multinational Lake Victoria Maritime Communication & Transport Project
MoFP	Ministry of Finance and Planning
MoWT	Ministry of Works and Transport
MRCC	Maritime Rescue and Coordination Centre
MSCL	Marine Services Company Limited
MTEF	Medium-Term Expenditure Framework
MUSE	Mfumo wa Uhasibu Serikalini
NAO	National Audit Office
NBAA	National Board of Accountants and Auditors



NHIF	National Health Insurance Fund
NMOSCP	National Marine Oil Spill Contingency Plan
OMCs	Oil Marketing Companies
OTR	Office of the Treasury Registrar
PAA	Public Audit Act
PAYE	Pay As You Earn
PBPA	Petroleum Bulk Procurement Agency
PMAESA	Port Management Association of Eastern & Southern Africa
POS	Point-of-Sale
PPRA	Public Procurement Regulatory Authority
PSSSF	Public Service Social Security Fund
PST	Permanent Secretary Treasury
QMS	Quality Management System
SAR	Search and Rescue
SBMS	Shipping Business Management System
SOP	Standard Operating Procedure
STCW	Standards of Training, Certification and Watchkeeping for Seafarers
SUMATRA	Surface and Marine Transport Regulatory Authority
TAFFA	Tanzania Freight Forwarders Association
TASAA	Tanzania Shipping Agents Association
TASAC	Tanzania Shipping Agencies Corporation
TBS	Tanzania Bureau of Standards
TCM	Tanzania Chamber of Mines
TCRA	Tanzania Communications Regulatory Authority
TEMESA	Tanzania Electrical, Mechanical and Services Agency
TICTS	Tanzania International Containers Terminal Services Limited
TIRA	Tanzania Insurance Regulatory Authority
TPA	Tanzania Ports Authority
TPSF	Tanzania Private Sector Foundation
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
URT	United Republic of Tanzania
US\$	United States Dollar
VAT	Value Added Tax
WMA	Weights and Measures Agency

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS AND TRANSPORT
TANZANIA SHIPPING AGENCIES CORPORATION
TASAC**

Hon. Prof. Makame Mnyaa Mbarawa (MP),
Minister for Works and Transport,
The United Republic of Tanzania,
Government City Mtumba,
1 Ujenzi Street,
P.O. Box 2888,
40470 DODOMA.



Honorable Minister,

LETTER OF TRANSMITTAL

In accordance with Section 40 (1) of the Tanzania Shipping Agencies Act, Cap 415, I have the honour to submit the Annual Report of the Tanzania Shipping Agencies Corporation for the financial year ended 30th June 2021.

The Annual Report consists mainly of:

- a) the Report by Those Charged with Governance prepared in compliance with the Tanzania Financial Reporting Standard (TFRS) No. 1;
- b) the Independent Report of the Controller and Auditor General (CAG); and
- c) the audited Financial Statements, which have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs).

Yours sincerely,



Capt. Mussa H. Mandia
BOARD CHAIRMAN

STATEMENT OF THE BOARD CHAIRMAN



On behalf of the TASAC Board of Directors, I am pleased to present the Corporation's Annual Report for the financial year 2020/21. This is the third Annual Report since TASAC became operational on 23rd February 2018.

The Annual Report consists of the Report by Those Charged with Governance prepared in compliance with the Tanzania Financial Reporting Standards (TFRS) No. 1, which was issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1st January 2021. Initially, this was known as the Director's Report. In addition, the Annual Report consists of the Independent Report of the Controller and Auditor General (CAG) and the audited financial statements of the Corporation for the financial year ended 30th June 2021.

The Board is pleased to report that the audited financial statements present fairly in all material respects, the financial position of the Corporation, and its financial performance and its cash flows for the year ended on 30th June 2021 in accordance with the International Public Sector Accounting Standards (IPSAS)-Accrual basis of accounting. As well, the Corporation's procurement of goods, works and services was generally in compliance with the requirements of the Public Procurement Laws. In this regard, the Corporation received unqualified audit report from CAG.

The current Board of Directors is the second established after the first Board was dissolved on 3rd May 2021 by Her Excellency, Samia Suluhu Hassan, the President of the United Republic of Tanzania. The second Board has learnt a lot from the experiences and the challenges of the first Board and is taking measures to address the challenges encountered by the first Board for continuous improvement in discharging its oversight role and the general performance of TASAC. Nevertheless, the Board is committed to ensure that the Government's objectives of establishing TASAC and the wishes of the 6th Government under the leadership of Her Excellency, Samia Suluhu Hassan, the President of the United Republic of Tanzania, is realized without compromise.

During the year 2020/21, the Corporation concluded implementation of its first three years Corporate Strategic Plan (2018/19- 2020/21). The Corporate Strategic Plan is the leading instrument for planning, priority setting and decision making. The strategic plan placed emphasis on the strategies to be executed to achieve the established six (6) strategic objectives namely maritime transport services regulatory role enhanced; maritime safety, security and marine environment improved; shipping business services improved; capacity for the Corporation to discharge mandated functions enhanced; HIV/AIDS, infection reduced and supportive services improved; and effective implementation of National Anti-Corruption Strategy enhanced.

Despite the challenges of COVID-19 encountered by the Corporation and the Country in general during the financial year 2020/21, the Corporation's performance was commendable. The commendable performance was a result of a number of factors including the Government patronage, stakeholders support, Management commitment, staff teamwork, conducive working environment and good business relationships. The Board is optimistic and confident that with sustenance of the current situation, the Corporation will achieve its new strategic objectives as stipulated in the 2nd Five Year Strategic Plan (2021/22-2025/26). The Corporation prepared and started implementation of its 2nd Five Year Strategic Plan from 1st July 2021. The new Strategic Plan was prepared based on experiences drawn from the implementation of the 1st Three Year Strategic Plan (2018/19-2020/21), development of maritime sector, national, regional and international initiatives, regulated service providers and customers' demands, changes in technology, and increase international business relations.

STATEMENT OF THE BOARD CHAIRMAN (CONTINUED)

The 2nd Five Year Strategic Plan was developed with six (6) strategic objectives; Health Services improved and HIV/AIDS infections reduced, Effective implementation of National Anti-Corruption Strategy enhanced and sustained, Maritime transport regulatory services enhanced, Maritime safety, security and pollution prevention improved, Shipping business services improved and Institutional capacity for service provision strengthened. Furthermore, the 2nd Five Year Strategic Plan is guided by the Vision ‘To be a leading Corporation in maritime administration and shipping business transforming Tanzania into global maritime transport hub’; and the Mission ‘To ensure efficient provision of safe, secure, reliable and environmentally friendly maritime and shipping business services to contribute to socio- economic development’.

Therefore, the Corporation continued to execute its regulatory role and exclusive mandate on shipping business. The additional instruments were prepared and approved by the Minister for Works and Transport in regulatory functions including regulation of ferries. On the exclusive mandate, the Corporation started engagements with Government agencies and its shipping business customers to review the scope of the exclusive mandate so as to create more engagement of the private sector in the shipping business and its contribution to the National economic growth. The Board expects that engagement with private sector and all key stakeholders will continue to ensure existence of good business environment in Tanzania’s maritime industry.

Apart from the progress made in all of the Corporation’s strategic areas, some challenges were experienced during the 2020/21 financial year. The challenges were considered as opportunities for reassessments of the Corporation’s strategies towards improvement of services and growth of the maritime transport and shipping business. Through support from the Government and general public. The Board expects to record major progress in the years ahead.

In addition, during the financial year 2021/2022, the Board will closely oversee the implementation of the 2nd Five Years Strategic Plan (2021/22- 2025/26) in line with annual plans and budgets. Furthermore, the Board shall ensure the Corporation implements effectively the Corporation’s Risk Management Policy and Framework and the Quality Management System (QMS) based on ISO 9001:2015 and become ISO 9001:2015 Certified. The Board shall also continue to oversee implementation of all key instruments necessary for execution of the Corporation’s statutory functions and shall ensure development of any additional required instruments for use.

Finally, on behalf of the Board of Directors, I wish to thank the Ministry of Works and Transport, regulated service providers, esteemed customers, stakeholders, Management and all staff of the Corporation. All of them have assisted the Board in exercising its role by providing support, feedback, co-operation, commitment and dedication in the pursuit of better Tanzania through better regulation and better terms and conditions of shipping business performed by the Corporation. The Board’s special tribute is extended to Her Excellency, Samia Suluhu Hassan, the President of the United Republic of Tanzania for her good leadership and strategic efforts to revive the National economy; and to Hon. Prof. Makame Myaa Mbarawa (MP) for his tireless efforts of improving maritime sector and increasing its contribution to the National economy.

A handwritten signature in blue ink, appearing to read 'Mussa H. Mandia', written over a light blue background.

Capt. Mussa H. Mandia
CHAIRMAN
March, 2022

STATEMENT OF THE DIRECTOR GENERAL



The Corporation is pleased to present the 3rd issue of its Annual Report for the financial year 2020/21. The report provides the Corporation's operational performance, the Controller and Auditor General report and the audited financial statements for the year ended 30th June 2021.

The 3rd Annual Report reflects on implementation of the Corporation's various regulatory activities in the regulated sub-sectors of maritime environment, safety and security, ports and shipping services. It further reflects on performance of the Corporation's implementation of its exclusive mandate on shipping business functions namely, clearing and forwarding, document control, ship tallying and shipping agency services.

The financial year ended 30th June 2021 was the last year of implementation of the Corporation's 1st Corporate Strategic Plan (2018/19-2020/21). The Strategic Plan is the leading instrument for planning, priority setting and decision making. It facilitated discharging of the regulatory role and shipping business functions for the last three (3) year's period, from financial year 2018/19 to 2020/21. Specifically, the Corporate Strategic Plan places emphasis on strategies to be executed to achieve the strategic objectives. During the financial year under review, the Corporation continued to undertake strategic initiatives of the 1st Corporate Strategic Plan with the purpose of enhancing its capacity to effectively and efficiently discharge both regulatory role and shipping business functions.

The Corporation registered a number of milestones during the year under review which included acquisition and implementation of ICT solutions to enhance its operations and service delivery. It also registered an increase in recognized revenue during the 3-years of implementation of its 1st Corporate Strategic Plan from TZS 47.39 billion recognized in 2018/19, TZS 70.87 billion recognized in 2019/20 to TZS 84.51 billion recognized in 2020/21. As well, the Corporation contribution to the Government Consolidated Fund increased from TZS 10.16 billion in 2018/19, TZS 20.11 billion in 2019/20 to TZS 31.83 billion in 2020/21. These achievements were possible as a result of staff teamwork, cooperation received from regulated service providers, customers and support provided by our parent Ministry, Government agencies and our key stakeholders.

The general financial performance of Corporation's during the financial year ended 30 June 2021 was outstanding. The total recognized revenue during the year was TZS 84.51 billion (30 June 2020: TZS 70.87 billion), which is an increase of annual recognized revenue by TZS 13.64 billion (30 June 2020: TZS 23.48 billion), equivalent to an increase of 19.24% (30 June 2020: 49.56%).

The major sources of revenue during the year under review were service providers levy at TZS 17.09 billion (30 June 2020: TZS 17.27 billion), fees, licenses and penalties at TZS 37.93 billion (30 June 2020: TZS 34.97 billion), shipping business services revenue at TZS 29.33 billion (30 June 2020: TZS 18.19 billion), other income at TZS 135.58 million (30 June 2020: TZS 727.58 million), and gain/(loss) on foreign currency translation at TZS 24.02 million (30 June 2020: (TZS 292.32 million)). All collections were facilitated using the GePG System and remitted directly to the Corporation's revenue collections accounts maintained at commercial banks and at BoT.

The Corporation's expenses for the year were recorded at TZS 70.93 billion (30 June 2020: TZS 48.14 billion). The major components of expenditure were wages, salaries and employees' benefits at TZS 20.47 billion (30 June 2020: TZS 14.38 billion), contribution to the Government Consolidated Fund at TZS 31.83 billion (30 June 2020: TZS 20.11 billion), travelling and other facilitation expenses at

STATEMENT OF THE DIRECTOR GENERAL (CONTINUED)

TZS 9.20 billion (30 June 2020: TZS 5.79 billion), services, supplies and other consumables expenses at TZS 5.33 billion (30 June 2020: TZS 3.65 billion), Directors fees and other Board members expenses at TZS 110.53 million (30 June 2020: TZS 380.15 million), and tax expenses on undertaking exclusive mandate in shipping business at TZS 310.99 million (30 June 2020: TZS 806.57 million). These expenditures were incurred based on approved budget and upon receipt of funds from BoT to expenditure operations accounts maintained at the commercial bank.

The Corporation continued to oversee maritime safety, security and prevention of pollution from ships. This included monitoring and auditing of formal ports under the provisions of the International Ship and Port Facility Security (ISPS) Code, the Merchant Shipping Act, Merchant Shipping Regulations and Merchant Shipping Notices. These were effectively implemented and there was no incident of piracy attack reported in Tanzanian controlled waters.

Furthermore, inspections of small crafts and registered ships were carried out to ensure maritime vessels are seaworthy and properly manned. In this regard, during the year under review, the Corporation carried out a total of 406 (30 June 2020: 369) surveys and inspections on ships of 50 GT and above; and 9,184 (30 June 2020: 386) surveys and inspections on vessels below 50 GT (boats). In relation to the International Convention on Standards of Training, Certification and Watch keeping for Seafarers 1978, as amended, the Corporation issued 61 (30 June 2020: 92) Certificates of Competency (COC) for Deck and Engine Officers; 6,379 (30 June 2020: 3,849) Certificates of Proficiency (COP); and 372 (30 June 2020: 290) Seafarers' Continuous Discharge Certificates (CDC).

On maritime transport regulation, during the year under review, the Corporation issued 1,194 (30 June 2020: 1,027) licenses and registration certificates to ports and shipping regulated service providers. These included 24 (30 June 2020: 24) licenses issued to Shipping Agents, 38 (30 June 2020: 21) licenses issued to cargo Consolidators/De-consolidators, 79 (30 June 2020: 51) licenses issued to Miscellaneous Port Services Providers, 41 (30 June 2020: 17) licenses issued to Dry Ports Operators, 962 (30 June 2020: 888) registration certificates issued to Clearing and Forwarding Agents, and 50 (30 June 2020: 34) licenses issued to Gross Mass Verifiers.

In addition, the Corporation conducted 28 (30 June 2020: 24) visits to 14 Inland Water Way Ports for checking compliance with the requirements of the Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020, conducted 60 (30 June 2020: 34) visits to Gross Mass Verifiers' (GMVs') premises in Dar es Salaam for checking compliance with the requirements of the Merchant Shipping (Verified Gross Mass of a Container Carrying Cargo) Regulations, 2016 and conducted quarterly monitoring visits to seven border posts of Holili, Horohoro, Murongo, Mutukula, Mwanza, Namanga and Sirari to oversee maritime cargo passing through border posts and check compliance on payment and collection of TASAC fees.

In the undertaking of the exclusive mandate on shipping business, the Corporation continued to exercise its mandate on the stipulated areas of shipping agency services, clearing and forwarding services and ship tallying services. Under this mandate, the Corporation handled 401 (30 June 2020: 96) ships under TASAC shipping agency. Increase in number of ship calls to Tanzania was due to the shipping lines selecting Tanzania ports for crew change following the outbreak of COVID-19 and consequent lockdown in neighbour ports. On clearing and forwarding services, clearance of cargo took an average of 7 (30 June 2020: 7) days after receiving full shipping documents from customers. This was achieved due to a number of monitoring visits conducted on cargo clearance areas and



STATEMENT OF THE DIRECTOR GENERAL (CONTINUED)

increasing efficiency by reducing clearance time. In addition, ship tallying services for containerised cargo increased to 512,611 (30 June 2020: 311,472) containers. This was due to the commencement of ship tallying services at Tanga port and opening up of rehabilitated berth number 5, 6 and 7 at Dar es Salaam port which resulted into increased cargo volume for tallying purposes.

The Corporation continued with its efforts of improving service provision by developing ICT solutions during the year under review to enhance service delivery, financial management and human resource management. The solutions included a Maritime Safety and Seafarers Registration System, Long-Range Identification and Tracking of Ships (LRIT) system, an Integrated Financial Management System (IFMIS) based on Epicor 10.2 with the future outlook of migrating to *Mfumo wa Uhasibu Serikalini* (MUSE), Cargo Manifest Billing (M-Bill) System, GePG system, Aruti Integrated Payroll & Human Resource Management System and Biometric Attendance System.

Furthermore, the corporate governance was enhanced by preparation and implementation of instruments for internal control and governance structure. These included finalization of TASAC Financial Regulations, Risk Management Policy and Framework, Client Service Charter, HIV/AIDS Policy at Workplace; ICT Steering Committee Charter; Risk Based Internal Audit Manual; and other ICT documentations. In addition, the Corporation implemented National Anti-Corruption Strategy as one of the key strategic objectives. In this undertaking, the Corporation continued to facilitate planned activities of its Ethics Committee which included capacity building to its members to ensure employees ethical values are advanced with high level of integrity.

The Management is optimistic that the Corporation's future performance will keep on improving under the spirit of current support of the Government, proper guidance of the Board of Directors which is composed of competent and experienced team, support and cooperation from key stakeholders, committed Management team and staff teamwork. Some operational challenges experienced during the period under review will be taken up and changed to opportunities in the years ahead. Of importance, the Management will strive to ensure the Government's purpose of establishing the Corporation, in terms of enhancing maritime sector services, is achieved.

In conclusion, I wish to extend my heartfelt and sincere gratitude to the Board of Directors for guidance, the Management team for support and all staff for being loyal, dedicated and trustworthy in their areas of responsibilities. Furthermore, I wish to convey my sincere gratitude to the Minister of Works and Transport, Hon. Prof. Makame Mnyaa Mbawara (MP) and the 6th Government of the United Republic of Tanzania under the good leadership of H.E. Samia Suluhu Hassan, the President of the United Republic of Tanzania for the trust bestowed upon us and providing us with all necessary guidance and support that accelerated these achievements.

We are dedicated to achieve our vision of being a leading Corporation in maritime administration and shipping business transforming Tanzania into global maritime transport hub while implementing our daily duties.

Mr. Kaimu Abdi Mkeyenge
DIRECTOR GENERAL
March, 2022

BOARD OF DIRECTORS



Capt. Mussa H.Mandia
Chairman



Mrs. Rukia Diwani Shamte
Vice



Mr. Kaimu Abdi Mkeyenge
Secretary



Capt. King Kwirujila Chiragi
Director



Mr. Said A. Nzori
Director



Mr. Cassian H. Ng'amilo
Director



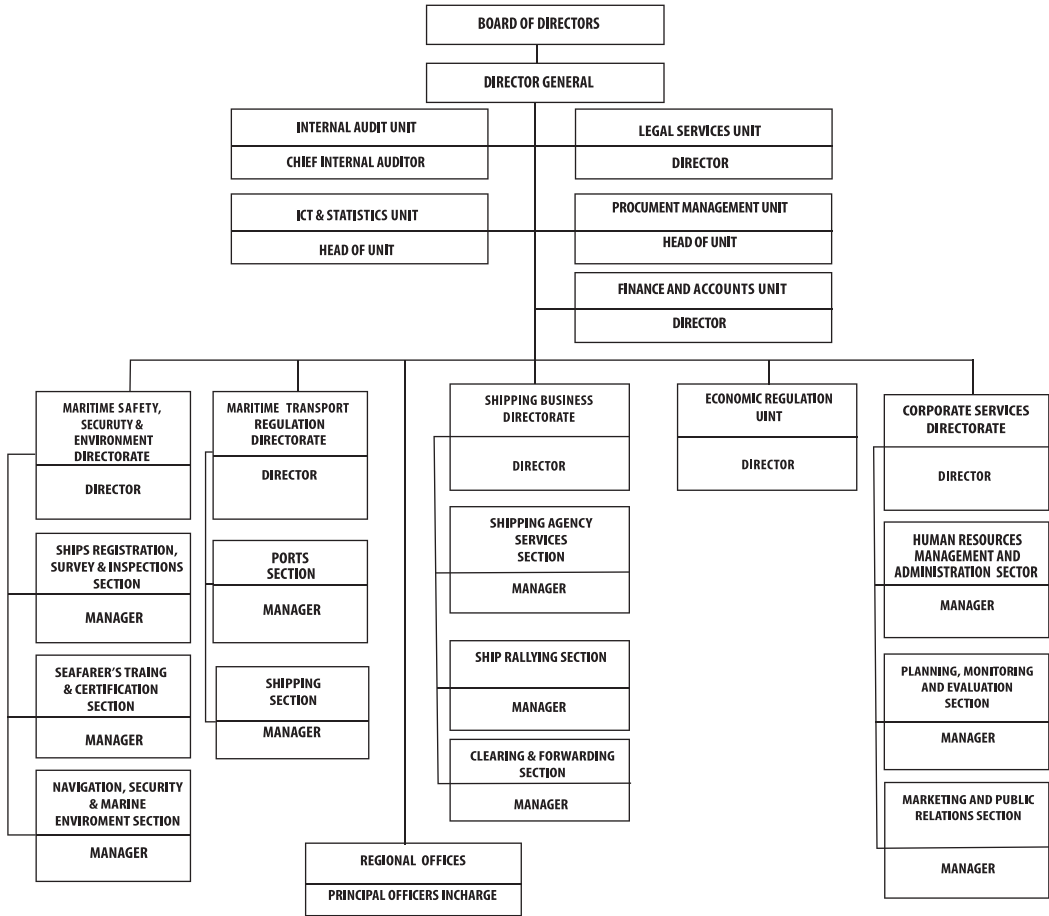
Mr Said Athumani Kiondo
Director



Eng. Aron Johnson Kisaka
Director



ORGANISATION STRUCTURE



SENIOR MANAGEMENT



Mr. Kaimu Abdi Mkeyenge
Director General



Adv. Rajab M. Mabamba
Director, Corporate Services



Mr. Degratias B. Mukasa
**Director, Maritime Transport
Regulation**



Mr. Nahson I. Sigalla
Director, Economic Regulation



Mr. Alfred W. Missana
**Director, Maritime Safety,
Security & Environment**



Mr. Nelson C. Mlali
**Ag. Director, Shipping
Business**



Adv. Judith M. Kakongwe
**Ag. Director, Legal
Services**



CPA. Habibu J.S. Suluo
**Director, Finance &
Accounts**



CPA. Ahadi M. Chacha
Chief Internal Auditor



Eng. Mossy Mudonko
Head, ICT & Statistics



Ms. Rukia M. Kimario
**Ag. Head, Procurement
Management Unit**



CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS:	Head Office, PSSSF Tower House, Ohio Street/Garden Avenue, P. O. Box 989, Dar es Salaam, Tanzania.
BANKERS:	National Bank of Commerce (NBC) Limited, Samora Branch, P. O. Box 9002, Dar es Salaam, Tanzania. National Microfinance Bank (NMB) Limited, Bank House, P. O. Box 9031, Dar es Salaam, Tanzania. Bank of Tanzania, 2 Mirambo Street 1184, P. O. Box 2939, Dar es Salaam, Tanzania. CRDB Bank Plc, Tower Branch, P. O. Box 2302, Dar es Salaam, Tanzania.
SECRETARY TO THE BOARD:	Director General, Tanzania Shipping Agencies Corporation, PSSSF Tower House, Ohio Street/Garden Avenue, P. O. Box 989, Dar es Salaam, Tanzania.
AUDITORS:	Controller and Auditor General, National Audit Office of Tanzania, 4 Ukaguzi House, 41104 Tambukareli, P. O. Box 950, Dodoma, Tanzania.

1. INTRODUCTION

Those Charged with Governance (TCWG) present this report together with the audited financial statements for the year ended 30 June 2021, which provides the results of TASAC operations and its state of affairs. TCWG prepared this report in compliance with TFRS 1 – The report by those charged with governance issued by NBAA and became effective on 1 January 2021.

The report is addressed to primary users and other stakeholders by setting out analysis of the Corporation’s operations and financial review, with a forward-looking orientation. The report will assist primary users and other stakeholders in assessing the strategies adopted by the Corporation and the potential for those strategies to succeed toward creating value over the short-term, medium-term and long-term periods.

2. THE CORPORATION CULTURE

TASAC’s culture consists of the shared vision, mission, core values and the culture statement as provided hereunder.

2.1. Vision

TASAC vision statement provides the outlook and direction of the Corporation to enable employees to undertake their responsibilities with a common purpose. The Corporation’s vision is:

“To be a leading maritime administration and shipping agencies corporation transforming Tanzania into global maritime transport hub”

2.2. Mission

TASAC mission statement summarizes the Corporation’s purpose of existence and how customers’ expectations will be met. The Corporation’s mission is:

“To ensure efficient provision of safe, secure, reliable and environmentally friendly maritime and shipping business services to contribute to socio-economic development”

2.3. Core Values

TASAC core values represent moral boundaries within which the Corporation operates. They define personality and are ethical standards by which the Corporation’s employees would be measured. The values are TASAC commitment to its stakeholders.

Therefore, in day to day operations, the Corporation’s employees are guided by the following core values: -

- i) Professionalism: Adopting an approach that demonstrates professionalism in competency, character, attitude and conduct;
- ii) Accountability: Being accountable to our stakeholders and to the Nation in the execution of the functions and mandate bestowed upon the Corporation;
- iii) Fairness: Being fair in all dealings with consumers, service providers and the other stakeholders and discharge our duties with neutrality and impartiality, without fear or favour;



2. THE CORPORATION CULTURE (CONTINUED)

- iv) **Integrity:** Being exemplary in our behaviour and acting with honesty and integrity in all our transactions;
- v) **Transparency:** Being transparent in all our activities and dealings and ready for public scrutiny; and
- vi) **Innovation:** Always striving to reach out and embrace new technologies and innovative methods of executing our mandate and contributing to national development.

2.4. The Culture Statement

The Corporation culture is customer-focused with the view of delighting all customers by meeting and/or exceeding their expectations through competent and highly motivated employees who work collaboratively as a team, support one another and fetch the best results in all undertakings on services delivery while observing applicable legislation and established procedures. This culture brings every TASAC employees to a common ground.

3. NATURE OF OPERATIONS

TASAC was established under Section 4 of the Tanzania Shipping Agencies Act, Cap. 415 as a body corporate to carry out shipping business and enhance maritime administration to regulate ports, shipping services, maritime environment, safety and security and related matters in Mainland Tanzania. TASAC is under the Ministry of Works and Transport. The Corporation became operational on 23 February 2018. The Corporation has exclusive mandate to carry out clearing and forwarding of specific goods, ship tallying, shipping agency and document control in accordance with section 7 of the Tanzania Shipping Agencies Act, Cap. 415.

TASAC is governed by the Board of Directors established under Section 21 of the Act. The Board is responsible for overseeing the management of business and affairs of the Corporation. TASAC Head Office is in Dar es Salaam and it operates in eight (8) regions of Geita, Mara, Mwanza, Kagera, Kigoma, Mtwara, Rukwa and Tanga; and two (2) districts of Kyela and Ukerewe in Mainland Tanzania.

Furthermore, the Corporation operates at the Mineral Markets of Arusha, Kahama and Mererani; the border posts of Holili, Horohoro, Kabwe, Kasumulu, Mutukula, Namanga, Tunduma and Sirari. In addition, the Corporation has offices at Julius Nyerere International Airport (JNIA) in Dar es Salaam, Kilimanjaro International Airport (KIA) and Mwanza Airport.

4. OBJECTIVE AND STRATEGIES

4.1 Objective of the Corporation

The objective of the Corporation in carrying out its functions and exercising its powers as provided in the establishing Act, is to enhance the benefits of maritime transport in Mainland Tanzania by: -

- (a) promoting effective management and operations of shipping agencies;
- (b) promoting effective operations of ports and shipping services;
- (c) maintaining cargo safety and security;
- (d) promoting and maintaining maritime environment, safety and security;
- (e) promoting efficiency, economy and reliability;
- (f) fostering the development and expansion of the maritime transport sector;
- (g) promoting competition in the maritime transport services; and
- (h) entering into contractual obligations with other persons or body of persons in order to secure the provision of quality and efficient shipping services and maritime environment, safety and security, whether by means of concession, joint venture, public private partnership or other means and to delegate its own functions of providing shipping services and maritime environment, safety and security to one or more parties.

4. OBJECTIVE AND STRATEGIES (CONTINUED)

4.2 Strategies for Achieving Objective

The Corporation was in the final year of implementation of its 1st Strategic Plan (2018/19-2020/21) when executing Work Plan and Budget for the financial year 2020/21. The Strategic Plan is the leading instrument for planning, priority setting and decision making. It facilitates discharging of the role and functions of the Corporation for the period of three (3) years, from the financial year 2018/19 to 2020/21. Specifically, the Plan places emphasis on strategies to be executed to achieve the strategic objectives.

The Strategic Plan has the following six (6) strategic goals whose implementation are summarized into short-term, medium-term and long-term periods: -

i) Maritime transport services regulatory role enhanced

(a) Short- Term

- Compliance to port and shipping services regulations attained;
- Compliance of regulated port and shipping services' benchmarks as per checklist attained;
- Timely issuance of Licenses/Registration Certificates to regulated Service Providers in compliance with prescribed time; and
- Draft legislation in relation to maritime transport regulatory services prepared.

(b) Medium- Term

- Culture and Practice of Cargo Safety and Security in terminals enhanced;
- Understanding of contemporary regulatory issues enhanced;
- Effective competition in the regulated services promoted; and
- Complaints and litigation for or against Corporation handled/resolved/defended.

(c) Long-Term

- Coverage/Scope of monitored regulated services providers widened;
- Institutional relationship with National, Regional or International Maritime Regulatory organizations strengthened;
- Terms and conditions of supply of regulated services streamlined and harmonized;
- Involvement of importers and exporters in maritime transport sector effectively and efficiently promoted;
- Economic Efficiency Promoted; and
- Audits on services providers licensing, monitoring activities and manifest billing system conducted.

ii) Maritime safety, security and marine environment improved

(a) Short- Term

- Staff with recognized professional Certificates are registered under their respective professional boards;
- Maritime officers attend specialized trainings and upgraded to professional certificates;
- Seafarers' Certificates issued in accordance with STCW-1978 as amended;
- Low level of maritime accidents attained;
- All aids to navigation are inspected and monitored; and
- Draft Regulations in relation to Maritime Safety, Security and pollution prevention prepared.



4. OBJECTIVE AND STRATEGIES (CONTINUED)

(b) Medium- Term

- Pollution incidents resulting from maritime transport activities maintained/ sustained at zero;
- Audits of compliance with domesticated international conventions, maritime rescue & coordination, and effectiveness of maritime safety & security ICT systems; and
- Maritime incidents and accidents are timely relayed for activation of SAR operations.

(c) Long-Term

- IMO instruments ratified;
- All ISPS Ports Facilities Compliance maintained to IMO White list;
- Low level of maritime accidents attained;
- Compliance with domesticated international conventions, Maritime Rescue and Coordination and Maritime Safety and Security ICT systems audited;
- Regional and International meetings/trainings attended;
- Maritime accidents death toll reduced;
- Zero accidents on ships of 50 GT or above;
- Ship Registered or Unregistered/De-Registered for license and mortgages;
- Audits on compliance with domesticated International Conventions, Maritime Rescue and Coordination and effectiveness of maritime safety and security ICT systems conducted; and Regulations on Seafarer matter established and capacity building on related matters enhanced.

iii) Shipping business services improved

(a) Short- Term

- Average time to clear cargo reduced;
- Tallying Services conducted as per exclusive mandate;
- Duration for closing Voyage Disbursement Accounts after ship departure reduced.
- Cargo Forwarding Services performed;
- Level of Customer Satisfaction to all shipping services (clearing and forwarding, tallying and agency services) increased; and
- Draft Regulations in relation to Shipping Business Services prepared/reviewed/amended for publication.

(b) Medium- Term

- Shipping Business Management System Developed /Upgraded/ Customized and Operationalized;
- Level of Customer Satisfaction to all shipping services (clearing and forwarding, tallying and agency services) increased; and
- Operationalization of shipping agency function to ship categories under TASAC exclusive mandate increased.

(c) Long-Term

- All Ships under TASAC Ship agency handled (Agency services performed to all ship under TASAC mandate);
- Automation of Shipping Business system;
- Capacity building to Staff on compliance to East African Customs Management Act conducted;

4. OBJECTIVE AND STRATEGIES (CONTINUED)

- Long-term business relationship with national, regional and international organizations established/maintained; and
- Audits of IT controls over shipping business applications (CFA, Ship Tallying, and Document control) systems, operations and revenues conducted.

iv) Capacity for the Corporation to discharge mandated functions enhanced

(a) Short- Term

- Increased average of annual revenue collection;
- Timely release of revenue and expenditure performance reports;
- MTEF and Performance Reports prepared and documented;
- Lesson learnt, meeting resolution and recommendations made to TASAC by key stakeholders implemented through planned activities;
- Timely contribution to Government Consolidated Fund, National and International bodies, taxes and other statutory payments;
- Audits of draft financial statements conducted and assurance reports issued; and
- Draft Legislation on maritime safety, security, environment protection, regulated transport services and shipping business prepared for vetting and approval.

(b) Medium- Term

- Performance contract with Ministry responsible for transport and Treasurer Registrar signed;
- ISO 9001:2015 Standards on Quality Management System Developed and Implemented;
- Timely availability of working tools and equipment;
- TASAC Office (Head office, Regions and Stations) established and furnished; and
- Regional benchmarking of tariffs and quality of services conducted.

(c) Long-Term

- Statistical Management System established and operationalized;
- Customer self- service online portal developed and operationalized;
- Tariff regulations improved (Period/Time between tariff reviews for Maritime transport services/Operations increased);
- Effective competition in the regulated services promoted; and
- Complaints and litigation for or against Corporation handled/resolved/defended.

v) HIV/AIDS, infection reduced and supportive services improved

(a) Short- Term

- Care and support services to PLWHIV increased;
- Program on health, nutrition and fitness approved and implemented.

(b) Medium- Term

- Audit on implementation of HIV AIDS programs conducted and assurance reports issued.

(c) Long-Term

- Programs to fight HIV/AIDS and Non-Communicable Diseases (NCD) at work place conducted.



4. OBJECTIVE AND STRATEGIES (CONTINUED)

vi) **Effective implementation of National Anti-Corruption Strategy enhanced and sustained**

(a) **Short- Term**

- Zero tolerance level on corruption practices and malpractice maintained.

(b) **Medium- Term**

- Anti-corruption programs prepared and implemented.

(c) **Long-Term**

- Risk assessments and fraud related audits performed.

In order to realize the strategic goals, the Corporation prepares annual plan and budget with a result-based management orientation as envisioned in the three (3) year strategic plan.

4.3. Managing Operations of the Corporation

The overall management of the Corporation is conferred to the Board of Directors which is required to ensure adherence to the governing laws and procedures. The Board delegates the day to day management of the Corporation to the Director General who is assisted by senior management. Senior Management was being invited to attend Board meetings and facilitates effective control of all operational activities, acting as a medium of communication and coordination between various operational areas.

In managing the external environment of the Corporation, the Board has established the system where the Management engages key stakeholders by holding consultative meetings with them and receive their comments or views on the Corporation's performance and other issues relevant for effective regulation of the maritime transport sector. In addition, the Board had established a Risk Management Policy & Framework, 2019 which guide Management on risk management process including monitoring of external environment which may impact the business process of the Corporation.

5. STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Corporation's Service Performance Information discloses information needed for accountability and decision-making purpose, primarily to help users of the report by Those Charged with Governance to understand what the Corporation had set out to achieve (target) and what it has achieved (results). The service performance information is generally be a mix of qualitative and quantitative reporting. The reporting of service performance information is based around two elements:

- Outcomes:** what the Corporation seeks to achieve in terms of its impact on society; and
- Outputs:** the goods or services that the Corporations delivers during the financial year.

The Corporation reporting of service performance information is provided in this report under Para 14: Key Performance Indicators.

6. TASAC OPERATING MODEL

The Corporation's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aims to fulfil TASAC's strategic purposes and create value over the short, medium and long term. Thus, TASAC Operating Model is explained below:-

6.1 Inputs

(a) Human Capital

The Corporation has employed staff with adequate skills and competence to ensure delivery of quality services. Employees are well motivated and perform their duties responsibly and in ethical manner.

(b) Financial Capital

Financial capital is composed of financial resources obtained from regulatory and shipping business activities. The cooperation as a maritime transport regulator collects fees from services provided in areas of maritime transport, maritime safety, security and environment. In the context of shipping business, the Corporation earns agency fees and commissions from clearing and forwarding services, ship tallying and shipping agency.

(c) Social and Relationship Capital

In executing its functions, TASAC has established an ethical and transparent relationship with government institutions, customers, suppliers, policy makers and the society in general. The corporation conduct stakeholders' meetings to provided awareness and receive feedback on various corporate issues. TASAC engaged actively on Corporate Social Responsibilities. Each year, the corporation set aside funds directed to contribute to the society well-being.

(d) Intellectual Capital

The Corporation has developed Shipping Business management system, Seafarers Management System and M-bill systems to ensure effective and efficient services delivery.

(e) Natural Capital

The Corporation has been actively engaged in ensuring maritime safety by conducting seminars and drills on Oil spill along the Indian ocean.

6.2 Operating Activities

The Corporation implements a number of activities in converting inputs into quality service delivery. The operating activities are divided into two major groups;

(a) Maritime sector regulatory functions

- Inspection of marine vessels;
- Monitoring visits to border posts;
- Management of regulated services providers;
- Licencing of marine vessels and regulated service providers; and
- Survey of marine vessels.

(b) Shipping business functions

- Tallying of cargo at sea ports;
- Clearing and forwarding of specified items;
- Document control for imports and exports; and
- Shipping agency for specified ships.



6. TASAC OPERATING MODEL (CONTINUED)

6.3 Outputs

(a) Maritime sector regulatory functions

In its regulatory role, the Corporation had the following outputs:

- 180 monitoring visits to dry ports and four (04) visits to sea ports conducted;
- 14 monitoring visits to Inland waterways ports;
- 18 engagements made with ports service providers to handle complaints;
- 23 shipping agents licensed;
- 589 Maritime safety awareness programmes conducted; and
- 4 stages to improve vessel and seafarer's registration and certificate system implemented.

(b) Shipping business functions

In its shipping business functions, the Corporation had the following outputs:

- Ship tallying for break bulk cargo increased from 1,699,920 tons to 2,441,837 tons;
- Cargo clearance averaged seven days; and
- Six ship categories were covered.

6.4 Outcomes

The following were noted outcomes:

- Increased compliance with ports legislation;
- Increased customers satisfaction;
- Increased compliance among shipping agents;
- Improved maritime safety standards;
- Decreased number of maritime accidents;
- Increased volume of tonnage tallied on break bulk cargo; and
- Increased operational efficiency of shipping agencies services.

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The Corporation's current and future development and performance are explained below:

7.1 Corporate Strategic Plan

The Corporation registered achieved milestones of its First 3-Year Corporate Strategic Plan (2018/19 – 2020/21) as at 30 June 2021. Among the registered milestones are operationalization of TASAC regulatory roles and shipping business functions, which involved regulation of maritime transport services, regulation of maritime environment, safety and security services, and undertaking shipping business services in relation to shipping agency, clearing and forwarding, ship tallying and document control. Furthermore, the Corporation acquired and implemented ICT application systems to enhance its operations and service delivery. In addition, the Corporation registered increase in recognized revenue during the 3-years of implementation of its First Corporate Strategic Plan from TZS 47.39 billion in 2018/19, TZS 70.87 billion in 2019/20 to TZS 84.51 billion in 2020/21.

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

However, one of the major challenges considered negative to the image of the Corporation was the dispute by some mining companies on TASAC clearing and forwarding fees charged 1% of customs values on minerals, mining equipment and spare parts. The dispute was tendered to the Minister of Works and Transport in accordance with section 59 of the Act, Cap 415. Until the date of authorization of this report, the Corporation had recorded 6,142 files from 72 customers with contingent revenue of TZS 113.54 billion and VAT of TZS 20.44 billion, making a total of TZS 133.98 billion. The Corporation, in collaboration with the Ministry of Works and Transport, will arrange a meeting to educate customers on compliance with legislation.

The implementation of the Corporation's Second 5-Year Corporate Strategic Plan started in the financial year 2021/22. The Corporation's future development plan includes acquisition of office accommodation to its Head Office and regional offices, acquisition of motor vehicles and motor tri-cycles. The Corporation plan also include to modernize its operations by enhancing the ICT application systems, enhancing staff performance on service delivery through short and long-term training, implementing QMS based on ISO 9001:2015 focused on customer satisfaction, and increase levels of engagements with key stakeholders in regulated services and shipping business services. In terms of revenue, the Corporation projects growth in recognized revenue to TZS 92.58 billion in the year 2021/22, despite reported challenges on tariffs and expected changes on scope of TASAC exclusive mandate.

7.2 Development Plans and Performance

The Corporation planned and opened its offices in the maritime regions and stations in Mainland Tanzania during the year under review while carefully managing both costs and associated risks. These initiatives were focused on improving productivity and enhancing efficiency in delivery of services to regulated service providers and shipping business customers and ultimately, to contribute to the national and international activities related to maritime transport services and environmental protection. In addition, the Corporation continued with automation and modernize its business operations to ensure rendered services satisfy and meet expectations of regulated service providers and shipping business customers in particular and all stakeholders in general. This includes enhancing the ICT systems in use to address the existing and future operational requirements that provide quality services to our customers, stakeholders and the general public.

Furthermore, the Corporation shall coordinate implementation of activities set out in the roadmap for implementation of audit findings and observations from the audit conducted under IMO Member State Audit Scheme (IMSAS). Initially, the United Republic of Tanzania (URT) signed Memorandum of Cooperation (MoC) with IMO in March 2019 to undergo mandatory audit under IMSAS. The audit for URT was conducted from 8 to 18 March 2019 and the audit report was issued on 24 May 2020 with twenty (20) findings and three (3) observations. According to IMO guidelines, URT is required to take corrective actions within three (3) years from the date when audit report was issued. The Scheme aims to promote the consistent and effective implementation of applicable IMO instruments and to assist Member States to improve their capabilities, whilst contributing to the enhancement of global and individual Member State's overall performance in compliance with the requirements of IMO instruments



7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

7.3 Significant Aspects of the Statement of Financial Performance

(a) Revenue

The Corporation's total recognized revenue during the year ended 30 June 2021 was TZS 84.51 billion (30 June 2020: TZS 70.87 billion), which is an increase of annual recognized revenue by TZS 13.64 billion (30 June 2020: TZS 23.48 billion), equivalent to an increase of 19.24% (30 June 2020: 49.56%). The increase was attributed by:

- (i) fully fledge of Ship Tallying and Shipping agencies activities for the whole financial year 2020/21 while in 2019/20 the activities were performed for five months only;
- (ii) handling ships during COVID-19 pandemic period created opportunity on revenue generation because of no entry or exit restriction which was imposed by our country. As result, the Corporation realised substantial amount of revenue through crew change services and other shipping agency and tallying services; and
- (iii) Increased billing of General Cargo (import fee).

(b) Expenses

The Corporation's expenses for the financial year ended 30 June 2021 amounted to TZS 70.93 billion (30 June 2020: TZS 48.14 billion). The major components of expenditure during the year ended 30 June 2021 were:

- (i) Wages, salaries and employees benefit at TZS 20.47 billion (30 June 2020: TZS 14.38 billion), this increase was attributed by the additional of 57 staff from 246 to 303 who was recruited and some transferred from other government organisation and staff salary adjustments as a result of performance appraisal for the financial year ended 30 June 2020;
- (ii) Contribution to the Government Consolidated Fund at TZS 31.83 billion (30 June 2020: TZS 20.11 billion), There were increase of 11.72 billion attributed by the increase of revenue for the financial year 2020/21. Redemption of excess capital was TZS 19.15 billion in 2020/21(30 June 2020: 11.90 billion); Thus, leading to an increase by 7.25 billion;
- (iii) Travelling and other facilitation expenses at TZS 9.20 billion (30 June 2020: TZS 5.79 billion). This increase by 3.41 billion was attributed by increase in number staff who in turn caused increase in operational cost incurred when executing their activities. Also, operationalization of Shipping Agency and Ship Tallying activities in 2020/21 for the whole year caused increase in the cost;
- (iv) Services, supplies and other consumables expenses at TZS 5.33 billion (30 June 2020: TZS 3.65 billion) increase of 1.68 billion. This was attributed by the execution by the Corporation of Shipping Agencies and Ship Tallying activities which in turn increased the administrative costs.
- (v) Directors fees and other Board members expenses at TZS 110.53 million (30 June 2020: TZS 380.15 million), Board Secretariat, Management and supporting staff expenses for facilitating Board programs and related activities at TZS 142.33 million (30 June 2020: TZS 434.94 million). The decrease was due to compliance and adherence to requirements on management of Board activities to various circulars and guidelines issued by OTR from time to time;
- (vi) Tax expenses on undertaking exclusive mandate in shipping business at TZS 310.99 million (30 June 2020: TZS 806.57 million), a decrease in tax paid by 495.58 million which was caused by the increase of shipping business expenses which in turn decreased the operating profit for the year reducing the tax thereof to be paid; and

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

- (vii) Surplus fund during the year was TZS 13.58 billion (30 June 2020 TZS 22.73 billion). This decrease was attributed by major increase in expenditure seen in 7b (i-v) for the reasons given.

7.4 Significant Aspects of Statement of Financial Position

(a) Cash and Cash Equivalents

The Corporation's cash and cash equivalents as at 30 June 2021 was TZS 17.24 billion (30 June 2020: TZS 21.99 billion), which is a decrease of TZS 4.75 billion, equivalent to 21.64 %. This decrease was attributed by fund allocation in acquisition of property plant and equipment and financing operational activities in the regulatory and shipping business which in turn left the Corporation with little cash in hand.

(b) Receivables and Prepayments

The analysis of the recorded performance on recognized revenue as at 30 June 2021 indicates that the Corporation had cumulative revenue receivables of TZS 52.86 billion (30 June 2020: TZS 38.20 billion) consisting of revenue receivables from exchange transactions of TZS 6.93 billion (30 June 2020: TZS 4.10 billion) and revenue receivables from non-exchange transactions of TZS 45.83 billion (30 June 2020: TZS 31.60 billion). Out of these, revenue receivables with the age of up to 12 months, that is, in respect of the financial year ended 30 June 2021 was TZS 28.89 billion and the long outstanding receivables beyond twelve months is TZS 23.97 billion. Despite the TPA's debt, the serious shortage of accounting staff and a dedicated team to enforce debt collections contribute to the cumulative figures.

The receivables and prepayments during the year ended 30 June 2021 was TZS 58.17 billion (30 June 2020: TZS 38.20 billion), the components of receivable and prepayment during the year ended 30 June 2021 were:

- (i) Other receivables from non-exchange transactions at TZS 14.90 billion (30 June 2020: TZS 9.2 billion) an increase of TZS 5.70 billion. These were unsettled invoices as at 30 June 2021 which were raised to our customers for the regulatory services provided;
- (ii) Advances to suppliers at TZS 5.14 billion (30 June 2020: TZS 2.24 billion), an increase of 1.9 billion. This was paid to suppliers of motor vehicle/tricycle which at the year-end were not delivered yet;
- (iii) staff loans revolving funds receivable from LATRA at TZS 678.22 million (30 June 2020: TZS 678.22 million), this was TASAC portion from loan advanced to by then SUMATRA staff which is receivable from LATRA following transfer of those staff to TASAC as implementation of the transfer certificate and was unsettled by LATRA at the year-end; and
- (iv) Staff advances and imprest at TZS 36.61 million (30 June 2020: TZS 101.94 million), and prepayments expenses of TZS 134.89 million (30 June 2020: TZS 63.34 billion).

(c) Property and Equipment

The property and equipment during the year ended 30 June 2021 stood at TZS 7.83 billion (30 June 2020: TZS 6.31 billion) the difference was attributed by the purchase of motor vehicle, furniture and fitting and ICT equipment. There was also a Work-In Progress for the construction of SUMATRA House, jointly owned between LATRA and TASAC, whose cost was recorded at TZS 6.11 billion (30 June 2020: TZS 6.11 billion). The Corporation could not capitalize this building as it did not have access to the final construction report including the permit for shifting to the building and occupy the allocated floors.



7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

(d) Intangible Assets

The intangible assets as at 30 June 2021 was TZS 1.09 billion (30 June 2020: TZS 1.11 billion) the difference was attributed by purchase of server software licenses. There was also a Work-In Progress for development of Shipping Business Management System (SBMS) whose cost was recorded at TZS 760.69 million (30 June 2020: TZS 416.18 billion). The increase was attributed by development of other models.

(e) Payables and Accrued Expenses

The payables and accrued expenses as at 30 June 2021 was TZS 7.58 billion (30 June 2020: TZS 4.85 billion), the major part of the payables and accrued expenses is cash deposits received from shipping business customers amounting to TZS 5.40 billion (30 June 2020: TZS 3.52 billion).

(f) Overall Performance

The Corporation's Statement of Financial Position as at 30 June 2021 reported Net Assets amounting to TZS 82.54 billion (30 June 2020: TZS 68.96 billion) which is composed of Capital Fund worth TZS 24.26 billion (30 June 2020: TZS 24.26 billion) and Accumulated Surplus of TZS 58.27 billion (30 June 2020: TZS 44.69 billion).

The Corporation's total Current Assets amounted to TZS 76.73 billion (30 June 2020: TZS 60.36 billion) made up of Cash and Cash Equivalents TZS 17.24 billion (30 June 2020: TZS 21.99 billion); Receivables and prepayments TZS 58.17 billion (30 June 2020: TZS 38.19 billion); Tax Receivable TZS 1.10 billion (30 June 2020: Nil) and Inventories TZS 224.96 million (30 June 2020: TZS 167.90 million). The total current assets represented 92.97% (30 June 2020: 87.52%) of the Net Assets. The Corporation's total Current Liabilities amounted to TZS 9.63 billion (30 June 2020: TZS 5.15 billion) made up of payables and accrued expenses of TZS 7.58 billion (30 June 2020: TZS 4.85 billion) and Provisions for contributions to IMO, IOMOU and MET funds amounting to TZS 2.04 billion (30 June 2020: 41.15 million). Therefore, the Corporation's ability to meet its short-term obligations as they fall due (liquidity ratio) or the working capital (current) ratio stands at 7.97 (30 June 2020: 11.71). This indicates that the Corporation can cover its current liabilities 7.97 times as at 30 June 2021 (30 June 2020: 11.71 times).

The Corporation's total Non-Current Assets amounted to TZS 15.79 billion (30 June 2020: TZS 13.94 billion) made up of Property and Equipment at TZS 7.83 billion (30 June 2020: TZS 6.31 billion) and Intangible Assets at TZS 1.10 billion (30 June 2020: TZS 1.11 billion). There are also Capital Works in Progress for construction of office building (SUMATRA House) shared equally with LATRA TZS 6.11 billion (30 June 2020: TZS 6.11 billion) and Intangible Assets in progress TZS 760.69 million (30 June 2020: TZS 416.18 million) on development of Shipping Business Management System (SBMS).

The general financial performance indicates that the Corporation's existing sources of revenue can sustain execution of the Corporation's functions. However, the Corporation shall continue to closely monitor its current sources of revenue, explore other sources of revenue to enable it to sustain its operations services to the public, monitor expenditure operations and control expenses within approved budgets.

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

7.5 Level of Capital Expenditure

During the financial year under review, the Corporation made advance payment of TZS 5.14 billion to Government Procurement Agency (GPSA) for procurement of 35 additional Motor vehicles and seven (7) Motor Tri-cycles. These properties were planned to be delivered by GPSA in the financial year 2021/22 to enhance the Corporation transport services.

Moreover, the Corporation in its approved budget for the year 2021/22 had set aside TZS 8.93 billion for procurement of speed boat (TZS 1.5 billion), equipment (TZS 4.72 billion), intangible asset and support for existing systems (TZS 1.59 billion) and securing of plots for construction of office accommodation (TZS 1.12 billion). These initiatives are expected to improve a day to day activities of the Corporation that leads to achievement its strategic objectives.

7.6 Implementation of QMS based on ISO 9001

The Corporation planned to implement QMS based on ISO 9001:2015 and started to document key processes during the financial year under review. QMS is aimed at improving the Corporation's service delivery through competent and motivated employees while focusing on value-added customer services. The target is to get the whole Corporation becoming ISO 9001:2015 Certified by June 2022.

7.7 Integrated Financial Management Information System

The Corporation started acquired automated system, an Integrated Financial Management Information System (IFMIS) based on EPICOR 10.2 and started its implementation effective from April 2019. In the ongoing initiatives of automation and modernization of TASAC operations, Management plans to implement the Government Accounting System commonly known as 'Mfumo wa Malipo Serikalini' (MUSE) during the financial year 2021/22. MUSE is expected to be integrated internally with revenue billing systems and interlinked externally with banks systems to enhance timely reconciliation of transactions.

7.8 Description of Budget Information

The Corporation's final revenue budget for the financial year ended 30 June 2021 was TZS 81.89 billion (30 June 2020: TZS 66.63 billion) and the recognized revenues for the year was TZS 84.51 billion (30 June 2020: TZS 70.87 billion) which is TZS 2.62 billion (30 June 2020: TZS 4.24 billion) above the final budget, equivalent to over-performance by 3.20% (30 June 2020: 6.37%). The major reason for this performance is attributed by over-recognition of revenue from the service providers' levy as well as fees, licenses and penalties.

The final expenditure budget of the Corporation for the financial year ended 30 June 2021 was TZS 66.80 billion (30 June 2020: TZS 52.87 billion) and the actual expenditure was TZS 70.93 billion (30 June 2020: TZS 48.14 billion), which was above the final budget by TZS 4.13 billion (30 June 2020: TZS 4.73 billion). The over-spending is attributed to the remittance of surplus funds during the financial year amounting to TZS 10.0 billion.



7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

7.9 Analysis of Corporation's External Environment

Every entity, including the Corporation, is affected by its external environment. Thus, analysis of the external environment matters that might affect the Corporation's operations are summarized below:

(a) Market and Competitive Position

The Corporation is a regulator for the maritime sector and has an exclusive mandate on undertaking shipping business. This was a new phenomenon and practice in the Country which took time for the customers and stakeholders to understand and cope with changes introduced by the Government on establishment of the Corporation. However, with passage of time and education campaigns made to the public, the Corporation has improved provision of service in the industry and some customers who are not under the exclusive mandate of TASAC wished to be served by TASAC. The Corporation received commendable letters from customers including Tanzania Chamber of Mines who appreciated our performance and continued improvement of services.

(b) Legislative and Regulatory Environment

The Tanzania Shipping Agencies Act, Cap 415 was amended to extend the scope of exclusive mandate in June 2019. However, before implementation of the extended exclusive mandate, key stakeholders raised concerns on the Government decision for such extension of TASAC mandate; and the process to get Government approval of the applicable fees extended mandate chargeable by TASAC took longer. Furthermore, stakeholders raised concerns on TASAC institutional setup for regulatory roles and for shipping business functions. Therefore, the Ministry of Works and Transport in collaboration with the Corporation decided to work on stakeholders concerns on the TASAC exclusive mandate and the institutional framework for effective exercising regulatory roles.

(c) Macro and Micro Economic Conditions

The shipping industry was affected worldwide due to COVID-19 pandemic. Flow of cargo for imports and exports were affected as well. Despite these challenges, the Corporation had an opportunity of generating revenue to the tune of TZS 1.3 billion from change of crew services rendered in the country by TASAC shipping agency section following the lock-down in neighbour countries.

(d) Market Forces

TASAC operates as a player in shipping business with given exclusive mandate as explained under legislative and regulatory environment para. There is no competition with internal players in the industry but our performance in the area of shipping business is key to the Nation in ensuring business sustainability and economic growth. The Corporation thrives to provide better services in order to stimulate demand of our services in export and import of products under regulatory roles and the exclusive mandate.

(e) Technological Change

The Corporation did not have ICT application system for undertaking exclusive mandate almost for the whole of the first year of operations. The Corporation, in collaboration with eGA, took initiatives to develop an integrated Shipping Business Management System (SBMS). The system has taken time to become fully developed and deployed. With the speed of technological changes,

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

another system, Tanzania electronic Single Window System (TeSWS) was being developed under the support of eGA and it was decided that SBMS design will be reviewed for integration with TeSWS. The Corporation will ensure future investment on ICT is enhanced including building capacity to ICT staff to cope with technological changes.

(f) Societal Issues

The Corporation operates within societies in Tanzania Mainland and cannot dissociate itself from these societies. In this regard, the Corporation has been participating and supporting financially the societies programs under the corporate social responsibility's funds. However, despite continuous participation and funding, demands from societies are higher than approved annual budgets. Going forward, the Corporation will increase its budget allocation and focus its contribution to specific programs related to maritime sector.

(g) Environmental Challenges

Pollution of the maritime environment has been a major challenge in the industry. This includes pollution in waters, ports and maritime vessels. The Corporation continued with its efforts on educating the public on this area and held a number of stakeholders meeting during monitoring visits conducted quarterly at the maritime regions and stations.

(h) Political Environment

The Corporation plans and budgets are prepared and implemented while observing the leading political party (Chama cha Mapinduzi) manifesto. The political environment in the country is calm for the Corporation to perform its functions without political challenges. As well, there was no political interference to the Corporation in exercising its mandate.

8. RESOURCES

The Corporation's key strengths which assist in the performance of its functions to achieve its objectives are pegged on a well-composed Board of Directors, effective Management, competent human resources, deployed ICT systems and documented internal operating procedures (IoPs). These strengths continuously create value to the Corporation. In terms of resources, the Corporation has tangibles and intangibles, which include intellectual resources, human resources, social and relationship resources, natural resources, financial resources and other resources. These are explained below: -

(a) Intellectual Resources

The Corporation intellectual resources include ICT application systems which has automated and modernized operations, thus, improved provision of maritime transport regulatory services and shipping business operations. The Corporation's ICT systems in operations include the following:-

- Shipping Business Management System (SBMS);
- Maritime Safety and Seafarers System;
- Global Maritime Distress and Safety System (GMDSS);
- Long Range Identification and Tracking of Ships (LRIT);
- Cargo Manifest Billings (M-Bill) System;



8. RESOURCES (CONTINUED)

(a) Intellectual Resources (Continued)

- IFMIS based on Epicor 10.2;
- Aruti Integrated Payroll & Human Resource Management System;
- E-Revenue Collection System (GePG system and POS Machines);
- Electronic Document Management System (EDMS); and
- Time Attendance (Biometric) System.

In general, implementation of ICT application systems improves the Corporation's service delivery process and enhances efficiency. The Corporation shall continue with its initiative to automate business operations to enhance efficiency and reduce costs of business operations. Factors that may affect availability, quality and affordability of intellectual resources include fast technological changes, Government legislative changes, systems hackers where access controls and firewalls are weak, and unexpected power outage. However, the Corporation is organized to cope with future changes and expects intellectual resources will continuously be available to meet future demand.

(b) Human Resources

The Corporation has skilled, committed, motivated and competent employees dedicated to the provision of quality services that meet and exceed customers' expectations. Management adheres to the principles of good governance and promotes good working environment and labour relations. In addition, the Corporation has continually invested on human resource development focusing on training, staff wellness, staff recognition, competitive remuneration and career growth.

By 30 June 2021, the Corporation had offices in eight (8) Regions of Tanzania Mainland and a total of employees 302 (30 June 2020: 246) employees. Factors that may affect the Corporation in ensuring availability of competent human resources at an approved establishment include absence of employees' incentive package, low level of support to staff careers development, the process of getting approval from the Government on staff establishment, and budgetary limitations and control processes. Nevertheless, the Corporation is taking close care of its human resources to ensure they are highly motivated to continuously working with the Corporation and meet future demand.

(c) Social and Relationship Resources

The Corporation social and relationship resources is composed of ethical and transparent relationship with its customers, regulated service providers, suppliers, regulatory bodies, Government and the general public who are internal and external stakeholders by establishing a harmonious relationship. The Corporation's creates shared value strategy relating to social development initiatives such as education and leadership development, financial inclusion, health and safety facilities which are delivered to the communities in the areas of operations.

During the year under review, stakeholders from both the regulated maritime sector and the shipping business areas extended required cooperation and support to the Corporation's activities. In addition, the Corporation had established and maintained good working relationships with local entities within the country and maintained international networking with relevant organs including IMO, IOMOU, ISCOS and PMAESA.

8. RESOURCES (CONTINUED)

(c) Social and Relationship Resources (Continued)

Factors that may affect availability, quality and affordability of social and relationship resources include Corporation's failure to participate and contribute to local and international communities' activities, non-payment of contributions and subscriptions to respective organs in this area, and low level of transparency and engagement with stakeholders. Despite these, the Corporation maintains its commitments and initiatives on social and relationship resources to continuously meeting existing and future demand.

(d) Natural Resources

The Corporation's major natural resources are water and solar power with the view of environmental protection. Various initiatives have been taken by the Corporation to promote environment sustainability through internal engagements and external partnerships and commitments. The National Marine Oil Spill Contingency Plan (NMOSCP) is a good example of the Corporation's commitment to conserve the environment.

In addition, the Corporation proclaim on proper utilization of water being a key natural resource in sustaining human life. Strict control on misuse of water, both from water taps and natural sources, is highly emphasized. Furthermore, the use of solar power at TASAC offices is encouraged to substitute hydro-power, where possible.

Factors that may affect availability, quality and affordability of natural resources include natural calamities, draught, human sabotage, laxity in compliance with legislation and minimum commitments from leaders. However, the Corporation values natural resources and will continuously take necessary steps to ensure protection and availability of such resources to meet the Corporation's future demand.

(e) Financial Resources

The Corporation enhances its financial sufficiency by improving management of its resources through prioritization of initiatives, implementing initiatives within the available financial resources to generate adequate revenue for timely implementation of planned activities.

The Corporation Sources of finance is derived from the mandate it has been given through Sect 35(1) of the establishment Act "The Tanzania Shipping Agencies Act, Cap. 415 which consists:

- Moneys appropriated by the Parliament;
- Fees, charges, or commissions that shall be prescribed;
- All other payments or property due to the Corporation in respect of any matter incidental to its functions;
- Service Provider Levy not exceeding 1.5 percent of turnover;
- Such sums of money or property which may become payable to or vested in the Corporation under the Act establishing TASAC or any other written laws; and
- Any grants, donations, bequests, money derived from loans and other payment or property due to the Corporation in respect of any matter incidental to its functions.



8. RESOURCES (CONTINUED)

Factors that may affect availability of financial resources include natural economic recession which lead to low level of international business, reduced scope of the Corporation's exclusive mandate, ineffective debt collection strategies, and legislation loopholes which provides 30-days credit period for settlement of fees notes and tax invoices issued for the rendered Corporation's services. Nevertheless, the Corporation will take administrative and legislative measures to ensure financial resources are available to finance existing and future programs of the Corporation.

(f) Other Resources

In the discharge of its functions, the Corporation is guided by the Tanzania Shipping Agencies Act, Cap. 415, Merchant Shipping Act, Cap. 165, and their respective Regulations, staff regulations, financial regulations, Standing Orders for the Public Service, sector legislations on shipping business, maritime transport services, maritime safety, maritime security and prevention of pollution from ships and maritime activities. These instruments were key in discharging its functions judiciously and fairly during the financial year under review.

Factors that may affect availability of other resources mentioned above include length of process to come with the relevant legislation for implementation, amendment by the Parliament of the legislation applicable to the Corporation, and amendment or issuance of new Regulations by the Minister responsible for maritime transport. However, the Corporation will collaborate with the key stakeholders, including the Ministry of Works and Transport, to ensure availability and timely amendments, where necessary, of legislation for implementation to address the current and future needs of maritime transport sector.

9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

9.1 Principal Risks and Uncertainties

The Corporation's principal risks and uncertainties with their impacts and mitigation are summarized under Table 1 below:

Table 1: The Corporation Risks, Impacts and Mitigation

S/N	Risks and their Impacts	Risks Mitigation
1	<p>Data and information management</p> <p>The Corporation's core business operations are automated and the business data and information must be properly managed in ICT systems.</p> <p>The fact that ICT systems are changed periodically in line with technology advancement, the threat of cyber-attacks is becoming more sophisticated and greater numbers of third-parties seek to access our business data and remove it from the safety of our systems and firewalls.</p> <p>If the Corporation fails to ensure that its information is kept safe and used by intended stakeholders and specific users only, may significantly impact relationships with these stakeholders and the general public.</p>	<ul style="list-style-type: none"> • We have, and continue to invest significantly in our data, analytics and cyber-security capabilities to better meet evolving customers' needs and expectations, and to reduce the potential for data breaches. • We actively engage with eGA to ensure that there is appropriate governance in place and that changes in eGA guidelines appropriately balances the value of giving customers control of their data, with our duty to protect customer privacy and security. • We continuously invest in ICT systems security and identity and access management controls to secure the confidentiality, integrity and availability of our data. • Our ICT staff and selected ICT application systems users from other Directorates, Units and Sections undergo mandatory training modules to ensure they understand the importance of data security and their obligations in relation to the data they access.
2	<p>Reputation</p> <p>Our reputation is of critical importance to us and is directly related to how we conduct our regulatory role and exclusive mandate in shipping business, how we make business decisions and communicate with the Government and other public institutions, customers, regulated service providers and the communities within our working environment.</p> <p>A negative shift in any of our stakeholder's perception may materially undermine our ability to advocate for positive outcomes that align to our vision, mission and core values, and our ability to drive long-term performance. This may also affect the cost and availability of financial resources necessary for the implementation of the Corporation's annual plans and budgets.</p>	<ul style="list-style-type: none"> • We actively focus on improving the transparency of our business decisions and engage with our esteemed customers, employees and the general public especially those around the area in which we operate so as to understand their concerns and balance their needs. • We have embedded our corporation's culture which communicates what we expect of our employees in applying our vision, mission and core values as a guide for the Corporation's business management and decision-making. • We continue to drive deeper engagement with the Government, customers and other stakeholders in maritime sector to ensure we deliver better and consistently fair outcomes and mediate issues when we are made aware of them.



S/N	Risks and their Impacts	Risks Mitigation
3	<p>Quality Service Delivery</p> <p>Meeting customer needs and their expectations with innovative solutions and superior experiences is critical to maintaining high-quality relationships with our regulated service providers, customers and other stakeholders.</p> <p>The fact that regulated service providers, customers and other stakeholders' expectations continue to evolve, the Corporation strives in engaging to emerging technologies to improve effectiveness and efficiency in service delivery.</p> <p>Any failure to recognize and adapt to changing competitive forces in the maritime sector in a timely manner could erode our revenue potential and service delivery improvements over a long term.</p>	<ul style="list-style-type: none"> • We are implementing Quality Management System (QMS) based on ISO 9001 which focus on customer satisfaction with continuous improvement to our service delivery. • We actively monitor changes in regulated services, customers and stakeholders' preferences, products, technologies, methods of service delivery and continuously improve customer experiences with our products and services. • We invest in our employees and building capacity on key areas of technology capability that are critical to our value proposition to regulated service providers, customers and other stakeholders, including training on cyber- security, digital channels, business intelligence, data and analytics. • We are investing in emerging technologies to ensure that the way we operate and the solutions we provide to our regulated service providers, customers and other stakeholders are leading in the maritime sector. • We invest in employees' productivity to optimize our cost base and continue to remain competitive for our regulated service providers, customers and other stakeholders.
4	<p>Employee Capability</p> <p>Our employees are critical to the success of our strategy and ensuring we are able to continuously find better ways to operate and meet regulated service providers, customers and other stakeholders needs and expectations.</p> <p>A shortage of key skills, a failure to help our people continuously update their capabilities, the emergence of new technologies and/or a fall in our attractiveness relative to other leading employers, could impact our ability to deliver on our strategies, vision and mission.</p>	<ul style="list-style-type: none"> • We are investing in our value proposition as an employer, through new ways of working, competitive benefits and a focus on culture and diversity. • We develop a sound Scheme of Service and team up with the Public Service Recruitment Secretariat on the recruitment of competent staff. • We focus on developing and retaining our employee, including management staff, through targeted training programs and skills upgrading. • We are creating flexible and innovative workspaces to enable stronger collaboration and foster an innovative culture. • We are building partnerships with leading higher learning institutions to further develop top talent and are investing in community awareness of potential future skills shortages. • We are assessing how new technologies will impact the future workforce for our businesses. We are building these changes into our long-term people development and capability roadmaps.



S/N	Risks and their Impacts	Risks Mitigation
5	<p>Compliance with legislation</p> <p>Compliance with legislation governing regulation of maritime sector and implementation of exclusive mandate in shipping business as well as tax legislation are critical to how we continue to run our business and interact with our regulated service providers, customers, tax authority and other stakeholders.</p> <p>The maritime sector and tax legislation are subject to changes. If we are unable to foresee, advocate for, plan for, and adapt to legislation change, this could negatively impact the Corporation compliance with tax legislation together with ability to serve our regulated service providers, customers and other stakeholders.</p>	<ul style="list-style-type: none"> • We allocate a material proportion of our capital expenditure budget to legislation compliance, risk prevention initiatives and engage with policy makers and communities to advocate for appropriate legislation reform. • We maintain constructive and proactive relationships with the Government, Parliamentary sectorial committees and the Parliament in general where we get opportunity to share our comments on legislation changes. • We engage consultants to support the Corporation on compliance with tax legislation and all other relevant maritime sector legislation.
6	<p>Social and Environmental impact</p> <p>We actively consider the social and environmental impact of our activities and are committed to operating sustainably and making a positive contribution beyond our established objective and statutory functions as stipulated in establishing Act.</p> <p>We consider social and environment issues to be significant long-term drivers of both financial and non-financial value. We appreciate the potential impact they have on our relationships with different regulated service providers, customers and other stakeholders.</p>	<ul style="list-style-type: none"> • The Corporation's programs take a long-term view to ensure that we conduct business in a sustainable and efficient way, and appropriately use our influence to enhance social and environmental outcomes. • We are complying with the National Environment Management Council (NEMC) issues in assessing our relationships with suppliers, our regulated service providers, customers and other stakeholders. • We collaborate with public and private institutions on protection of maritime environmental pollution.
7	<p>Business Continuity</p> <p>The resilience and continuity of our operations is critical to providing our customers with the products, services and experiences that they expect from the Corporation.</p> <p>Events driven by our external environment, including cyber- attacks, political instability, unfavorable business conditions, global pandemics like COVID-19 and adverse weather conditions can significantly disrupt the systems and processes that enable the Corporation to serve and protect our regulated service providers, customers and other stakeholders.</p>	<ul style="list-style-type: none"> • We monitor the health of all ICT systems, documented Internal Operating Procedures (IOPs) and perform contingency planning for disruptions to critical systems and processes. • We are implementing a number of process and system simplification initiatives through investments in agile capability, automation and ICT systems resilience. • We are investing in our technology, processes and employee capabilities to mitigate the impact of cyber-security risks on our businesses, regulated service providers, customers and other stakeholders. • The Corporation policies and standards on supplier governance, selection and management and on outsourcing or offshoring are applied to mitigate the risk and impact of third-party disruptions.



S/N	Risks and their Impacts	Risks Mitigation
8	<p>Financial Management</p> <p>The Corporation's activities are potentially exposed to a variety financial management risk including financial risk, market risk, credit risk and liquidity risk as briefly explained below:</p> <p>(a) Financial Risk The financial risk is the possibility that the Corporation's cash flow will prove inadequate to meet the Corporation's obligations.</p> <p>(b) Market Risk Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the Corporation's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.</p> <p>(c) Credit Risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments.</p> <p>(d) Liquidity Risk Liquidity risk is the risk of the Corporation not being able to meet its obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Corporation's reputation.</p>	<ul style="list-style-type: none"> • We prepare our annual plan and budget in line with the Government guidelines on the preparation of Medium-Term Expenditure Framework (MTEF) to address financial risk management. • We opened and operated bank accounts in both Tanzania Shillings and United States Dollar (USD) to mitigate market risks. • We do not regard any significant concentration of credit risk, hence, we mitigates the credit risk by maintaining cash and cash equivalents with the preferred financial institutions; and recovering staff debts, imprest or salary advance in terms of the applicable regulations directly from the employee's salary and/or pension. • We manage liquidity risk to ensure the Corporation is able to meet estimated expenditure requirements based on approved budget and through the use of cash flow forecasts. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents. Furthermore, the Corporation strive to ensure that receivables are settled within 30 days after the due date, and payables are settled within 30 days of invoice.

9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

9.2 Opportunities

The Corporation's risk assessment process identified opportunities that would expectedly enhance the strategic plan execution as summarized below:

- (i) Technological advancement and avenues for digitisation of processes and operations are opportunities for improving the Corporation's performance. This is possible through the use of block chain applications, cargo and vessels tracking and internet of things. The Corporation has potential of enhancing quality service delivery and increase revenue generation by taking advantage of new technology in making transformative changes in its operations and processes.
- (ii) Favourable legal setup and exclusive mandate on shipping business is another key opportunity. The Corporation has potential to command large market share thereby increasing revenue generation due to existence of favourable legal setup being the public institution guaranteed by the Government in its undertaking, which is seemingly commanding public trust and good reputation. Furthermore, increase in size of population, economic growth level within Eastern and Southern Africa countries and presence of neighbouring land-linked countries, TASAC has opportunity of increasing its revenue and build financial sustainability by taking advantage of available demand for maritime transport services from land-linked countries like Republic of Uganda, Republic of Burundi, Democratic Republic of Congo and Republic of Rwanda, as well as demand derived from increased population size and income levels (economic growth) within the region.
- (iii) Existence of international and regional collaboration and agreements to promote maritime matters and increased regional agreements and policies on maritime and related developments.

9.3 Assumptions on Risks, Uncertainties and Opportunities

The Corporation is mindful of the following assumptions during assessments of the risks, uncertainties and opportunities:

- (i) macro- economic factors or conditions like Inflation, Interest rates, Gross Domestic Product, per capital income, economic growth rate, and terms of international trade exchange rate will continue to perform well and remain fairly stable;
- (ii) political environment will remain stable and political support to the maritime transport sub-sector prevail during the implementation of the Corporation's functions;
- (iii) stable and predictable regulatory environment like Policies, Laws and Regulations will exist during the implementation of TASAC functions;
- (iv) competent, skilled and motivated staff will be available during the Strategic Plan implementation period;
- (v) good or stable relationship with key stakeholders like IMO, PMAESA, IOMOU and ISCOS will be maintained during the implementation of the Corporate Strategic Plan;
- (vi) availability of sufficient financial and physical resources like buildings, working tools, and SOPs for the implementation of the Corporate Strategic Plan; and
- (vii) The current organisation structure will remain intact for the implementation of Corporate Strategic Plan and there will be no significant change in the existing organisation structure.



10. STAKEHOLDERS' RELATIONSHIP

The Corporation believes that the stakeholders are what make its existence. Several measures have been taken to institute a responsible behaviour to employees of the Corporation's and other stakeholders. These measures include, but are not limited to, holding interactive stakeholders' meetings or engagements, staff meetings, seminars and workshops; provide education through media and improving customer services at our offices throughout the country. In this regard, the Corporation has identified eight (8) categories of stakeholders; the Government, employees, regulated service providers, shipping business customers, suppliers, business partners, society and regulators and policy-makers. Before making its decisions, the Board considers the interests of all stakeholders and ensures that engagement with stakeholders is deliberate and planned and that communication is always transparent and effective.

10.1 The Government

The Government established the Corporation with the set of objectives and functions for maritime administration, maritime transport regulation and shipping business. The motive behind establishment of TASAC is to enhance maritime transport sector, revenue collection and development of the national economy.

(a) Key concerns

The Government's concerns to the Corporation includes the following:

- Receive 15% of gross revenue contribution quarterly and 70% of surplus funds at year ends for remittance to the Government Consolidated Fund;
- Existence of maritime safety, security and protection of environment in Tanzania waters;
- Effective regulation of maritime transport sector; and
- Proper undertaking of shipping business functions on items under exclusive mandate.

Source: The Treasury Registrar (Powers and Functions) Act, Cap 370 and the Tanzania Shipping Agencies Act, Cap. 415

(b) Value we create

- Remittance of 15% gross revenue contribution within every quarter and 70% of surplus funds to the Government Consolidated Fund with the view of future growth;
- Enhanced maritime safety, security and marine environmental protection;
- Effective regulation of services and timely issuance of service providers licenses; and
- Providing quality services on specified areas of clearing and forwarding, shipping agency, ship tallying and document control under the exclusive mandate.

10.2 Employees

Employees are key to make the Corporation the great place to work. They should find working for TASAC an inspiring and a place for elevating personal experience and consequently accepts co-responsibility for the development of each employee to the full potential. Together with efficient and value-creating solutions, services and operations offer value to our customers. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Corporation.

(a) Key concerns

Employees want friendly, safe and conducive working environment, defined career progression, better salary and benefits, motivation and recognition, opportunities to contribute to the society.

Source: TASAC Staff meetings and the Workers Council meetings.

10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

(b) Value we create

- Transforming into an inclusive society through employment equity and gender equality;
- We focus on developing our employee through targeted training programs and skills upgrading to further their career and improve our services;
- Rewarding employees for the value they add;
- Motivating and energizing our work force; and
- Timely payments of employees' entitlements.

10.3 Regulated service providers

Regulated service providers have important roles in the social economic development specifically on the provision of the regulated services.

(a) Key concerns

The regulated service providers' key concerns to the Corporation includes the following:

- Timely receiving of their licenses upon submission of genuine applications;
- Existence of fair practices in the sector when delivering regulated services;
- Fees Notes issued timely by the Corporation and their monthly statements; and
- Frequent engagement with the Corporation to discuss emerging issues.

Source: Stakeholders consultative meetings conducted in Dar es salaam, Tanga, Mtwara and Mwanza regions. Other concerns were received through monitoring visits conducted by TASAC staff and communication made by letters and emails.

(b) Value we create

- Issuance of licenses to regulated service providers within statutory periods;
- Handling complaints once received and resolving within the shortest possible time;
- Online distribution of fees notes and established self-assessment system, M-Bills; and
- Conduct stakeholders' meetings for awareness and conduct periodic seminars.

10.4 Shipping business customers

Meeting shipping business and other customer needs with innovative solutions and superior experience is critical to maintaining high-quality relationship with our customers.

(a) Key Concerns

Timely delivery of excellent service to customers and ensure confidentiality of customers' and business data and information. They come to us because of our exclusive mandate on the areas of their needs. Providing excellent customer services and getting it right, first time and every time, is their key concern.

Source: Stakeholders consultative meetings conducted at Head Office with TAFFA, TASAA, TPSF and TCM. Other concerns were communicated by official letters and emails.

(b) Value we create

- Providing excellent services to meet and exceed customers' expectations;
- Monitoring changes in customer requirements, technologies and continuously improving customer experience by developing innovative solution that meet their specific needs;
- Providing periodic customers' statements on settled and outstanding liabilities; and
- Engaging customers through consultative meetings for education and advisory matters.



10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

10.5 Suppliers

Suppliers are stakeholders who provides goods and services to the Corporation and they are closely monitored to ensure they deliver required or ordered goods and services in time.

(a) Key Concerns

- Transparent and fair procurement process of goods and services;
- Receiving feedback on delivered goods and rendered services; and
- Timely settlement of suppliers' invoices.

Source: Suppliers visits to TASAC Offices and received official letters and emails.

(b) Value we create

- Effective use of online procurement system (TANePS);
- Inclusion of fair terms and proper vetting of procurement contracts; and
- Settle genuine suppliers' invoices within 14 days.

10.6 Business Partners

The business partners are private sector and public sector entities who have direct or indirect working relationship with the Corporation when performing its statutory functions. These include DMI, EWURA, PBPA, PPRA, TBS, TCAA, TCRA, TICTS, TPA, TRA, TPSF and WMA.

(a) Key Concerns

- Cooperation on areas of common interest in serving the public;
- Sharing business data and information; and
- Honouring business relationship.

Source: Stakeholder's forums, official communication by letters and emails,

(b) Value we create

- Participating in meetings and events related to areas of common interest;
- Providing necessary data and information requested by business partners;
- Strengthening long-lasting business relation with a focus to customers' satisfaction.

10.7 Society

The Corporation acknowledges its responsibility to respond to community social needs. The Corporate Social Responsibility (CSR) interventions included commitment to active participation in environment protection and promotion of socio-economic development of our society through extension of financial support to implementation of community activities.

(a) Key Concerns

- Supporting social development programs organized by the communities for socio-economic development where TASAC has offices;
- Awareness on TASAC business functions and applicable legislation; and
- Compliance with environmental, social and governance matters.

Source: Stakeholders meetings held in Dar es salaam, Tanga, Mtwara and Mwanza regions.

10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

(b) Value we create

- Supporting social community programs using donation and other sources of funds;
- Providing awareness on TASAC business functions and environmental protection;
- Undertake Environmental and Social Impact Assessments periodically.

10.8 Regulators and Policy-makers

The Corporation complies with a wide spectrum of legislation, conventions, protocols, resolutions, directives and guidelines which are issued from time to time by the International Maritime Organization (IMO) as well as the Government entities including NEMC, MoWT, MoFP, OTR and Tanzania Parliamentary Committees (Infrastructure Committee, Budget Committee and Parliamentary Accounts Committee).

(a) Key Concerns

- Ratification and/or domestication and compliance with the IMO instruments including Conventions, Protocols and Resolutions for safety of life on seas;
- Protecting environment from pollution including marine environmental pollution;
- Corporation complies with the relevant legislation, guidelines and supporting employees on fulfilling their professional membership obligations.

Source: Stakeholders consultative meetings, official letters and emails.

(b) Value we create

- Facilitation ratification of IMO instruments for domestic application;
- Protecting marine environment in compliance with the MARPOL 73/78 Convention;
- Operating within the scope of the legislation, directives and guidelines; and
- Complying by paying membership fees and be active members.

11. CAPITAL STRUCTURE AND TREASURY POLICIES

11.1 Capital Structure

The Corporation's capital structure for the year ended 30 June 2021 consists of Capital Fund of TZS 24.26 billion (30 June 2020: TZS 24.26 billion) and Accumulated Surplus of TZS 58.27 billion (30 June 2020: TZS 44.69 billion). The Capital Fund was established from the Certificate of Transfer of assets and liabilities from the then Surface and Marine Transport Regulatory Authority (SUMATRA) to TASAC effective from 1 July 2018.

The structure had capital fund originally established at TZS 22.09 billion and during the financial year ended 30 June 2020, additional capital of TZS 2.18 billion was received from the funds set aside at SUMATRA for completion of construction of jointly owned office building at Plot No. 454/160 along Nkrumah Street, Dar es Salaam, thus making the Corporation capital fund of TZS 24.26 billion. Therefore, the Corporation's capital structure for the financial years ended 30 June 2020 and 30 June 2021 are summarized below:



11. CAPITAL STRUCTURE AND TREASURY POLICIES (CONTINUED)

	2020/21	2019/20
	TZS '000	TZS '000
ASSETS:		
Current assets	76,732,047	60,355,151
Non-current assets	15,791,303	13,937,218
TOTAL ASSETS	92,523,350	74,292,369
LIABILITIES:		
Current liabilities	9,626,939	5,152,701
Non-current liabilities	359,455	181,417
TOTAL LIABILITIES	9,986,394	5,334,117
NET ASSETS	82,536,956	68,958,252
NET ASSETS:		
Capital Fund	24,264,567	24,264,567
Accumulated Surplus	58,272,389	44,693,685
TOTAL NET ASSETS	82,536,956	68,958,252

11.2 Treasury Policies and Objectives

TASAC treasury policies involve mechanisms established by the board, which delegates financial decisions to Management in a controlled manner. The control instruments in place include legislation, Government Circulars, Guidelines and the Board resolutions on opening, operating and signing mandate to the bank accounts. The main objective is to ensure proper control and safeguard of the Government financial resources. Under these mechanisms, the Corporation's revenue is collected and remitted directly to the Corporations revenue collection accounts maintained at designated commercial banks using GePG system; and weekly, on Monday, to the Corporation's revenue collection accounts maintained at BoT. All expenditures of the Corporation are incurred within the approved limits in the approved annual budget upon receiving approval of cash withdrawals from Paymaster General in compliance with section 35(2) of the Tanzania Shipping Agencies Act, Cap. 415 (as amended).

12. CASH FLOWS

The Corporation's cash flows can be analysed from the cashflows statement under three areas of cashflows from operating activities, cashflows from investing activities and cashflows from financing activities. It should be noted that cash flow analysis does not consider any growth in the cash flow statement because the cash flow statement always shows what happened in the past. Therefore, the Corporation's cash flows analysis is summarized below:

11. CAPITAL STRUCTURE AND TREASURY POLICIES (CONTINUED)

(a) Cash Flows from Operating Activities

The net cash flows from operating activities of TZS 1.52 billion (30 June 2021: TZS 14.69 billion), was derived as the difference between cash receipts amounting to TZS 69.17 billion (30 June 2021: TZS 61.20 Billion) from Service Providers Levy, Fees, Licenses and Penalties, Other income and Shipping Business Services revenue; and payments amounting to TZS 67.65 billion (30 June 2021: TZS 46.51 Billion) for wages, salaries and employee benefits; Directors fees and other Board expenses; travelling, training and other facilitation expenses; services, supplies and consumable expenses; repairs and maintenance expenses; contribution to the Consolidated Fund; contribution and subscription to other bodies; bank charges; corporation tax and payment made for MLVMCTP.

(b) Cash Flows from Investing Activities

The net cash flows from investing activities of TZS 6.29 billion (30 June 2021: TZS 5.65 billion), was derived from cash capital expenditures including acquisition of property and equipment amounting to TZS 5.76 billion (30 June 2021: TZS 4.55 billion) and acquisition of intangible assets amounting to TZS 530.37 million (30 June 2021: TZS 1.1 billion).

(c) Cash Flows from Financing Activities

There were no net cash flows from financing activities during the financial year ended 30 June 2021 (30 June 2020: TZS 6.43 billion). The net cash flows of TZS 6.43 billion for the year ended 30 June 2020 was received from LATRA as part of funds which established Capital Fund of the Corporation. The fund was retained at the bank accounts of SUMATRA and released after TASAC has opened its bank accounts.

13. LIQUIDITY

During the financial year ended 30 June 2021, the Corporation managed its liquidity level to ensure there is sufficient funds to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. This was achieved through prudent liquidity management which includes maintaining sufficient cash and cash equivalents and striving to ensure that receivables are settled within grace period of 30 days. The Corporation current ratio for the financial year ended 30 June 2021, which measures the ability of current assets to meet short term obligations (current liabilities) was 7.97 times (30 June 2020: 11.71 times). Moreover, the acid (quick) test ratio which also measure the ability of current assets, without inventories, to meet short-term obligations (current liabilities) was 7.94 times (30 June 2020: 11.68 times). Thus, the Corporation's Liquidity gap which is the excess of current assets over current liabilities for the financial year ended 30 June 2021 was TZS 60.42 billion (30 June 2020: TZS 53.51 billion). All of the above ratios, current ratio, acid test ratio and liquidity gap reveal that the Corporation was able to fund its current liabilities when due.

However, going forward, due to the current changes on tariff for clearing and forwarding services on petroleum products (petrol, diesel and kerosene), the Corporation expects future reduction of budgeted revenue by 7.71% in the financial year 2021/22. On similar grounds, liquidity level is expected to be affected by the same percentage. This will also have some effects on implementation of the planned activities for the financial year 2021/22. The Corporation shall continue to closely monitor its current sources of revenue, explore other sources of revenue and reduce unnecessary expenditure to reduce the effect of reduction in CFA revenue.

14. KEY PERFORMANCE INDICATORS

14.1 Key Performance Indicators Matrix

The Corporation's Key Performance Indicators (KPIs) are reported based on the implementation of annual Plan and Budget derived from the Corporate Strategic Plan (2018/19-2020/21). The KPIs for the year ended 30th June 2021 are given under Table 2 below:

Table 2: Key Performance Indicators for the Year 2020/21

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
A: Maritime transport services regulatory role enhanced	Forty-five (45) Dry Port Visits for Monitoring Compliance with Port Regulations undertaken quarterly by June 2021	Number of visits Expected outcome: Compliance with Port regulations	<ul style="list-style-type: none"> 180 visits were conducted to dry ports to ascertain compliance with Port regulations. 	500	0
	Four (04) Sea Ports Monitored for Compliance with Port Regulations (semi-annually) by June 2021	Number of Sea Ports Expected outcome: Compliance with Port regulations	<ul style="list-style-type: none"> Four (04) Sea Ports were visited as planned for checking compliance with the requirements of the Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020. Port Terminals visited were found to be reasonably compliant to regulatory requirements of the Tanzania Shipping Agencies Corporation but a few observed anomalies were analyzed and addressed to Tanzania Ports Authority for rectification 	80,350	66,419
	Fourteen (14) Inland Ports Monitored (semi-annually) for compliance with Port regulations by June 2021	Number of Inland Ports Expected outcome: Enhanced compliance with Port regulations	<ul style="list-style-type: none"> Fourteen (14) Inland Water Way Ports were visited as planned for checking compliance with regulatory requirements of the Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020 	80,350	66,419

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Thirty (30) Miscellaneous Port Service Providers (MPS) Visits for Monitoring Compliance with Port Regulations undertaken semi-annually by June 2021	Number of visits to Miscellaneous Port Service Providers. Expected outcome: Enhanced compliance with Port regulations.	<ul style="list-style-type: none"> Sixty (60) visits were made to MPS providers premises in Dar es Salaam, Tanga and Mtwara for checking compliance with the requirements of the Tanzania Shipping Agencies (Miscellaneous Port Services) Regulations, 2020 Results: All were found to be compliant to the requirements of the Tanzania Shipping Agencies (Miscellaneous Port Services) Regulation, 2018. 	13,160	12,748
	Sixty (60) Gross Mass Verifiers (GMV) Visits for Monitoring Compliance with Port Regulations undertaken semi-annually by June 2021	Number of visits to Gross Mass Verifiers Expected Outcome: Compliance with Port regulations and increase efficiency in Port Operations	<ul style="list-style-type: none"> Sixty (60) visits were made to Gross Mass Verifiers' (GMVs') premises in Dar es Salaam for checking compliance with regulatory requirements of the Merchant Shipping (Verified Gross Mass of a Container carrying cargo) Regulations, 2016 Results: All were found to be compliant with regulatory requirements of the Merchant Shipping (Verified Gross Mass of a Container Carrying Cargo) Regulation, 2016. 	18,350	5,422
	Thirty (30) engagements conducted with Port service providers for resolving complaints by June 2021	Number of engagements conducted Expected outcome: Enhanced customer satisfaction.	<ul style="list-style-type: none"> 18 engagements were conducted during the period under review with Port service providers for resolving complaints. The lodged complaints were lodged below the expectations of the Corporation. 	16,000	9,920
	Fifteen (15) Dry Port issued with licenses by June 2021	Number of dry ports licensed. Expected outcome: Enhance level of compliance among dry ports service providers.	<ul style="list-style-type: none"> No license was issued to the existing licensees due to extension of license validity period to 19 January 2022. Only one new applicant was issued with license. 	7,800	4,098



Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Twenty-five (25) Shipping agents issued with licenses by June 2021	Number of shipping agents licensed Expected Outcome: Increased compliance among shipping agents	<ul style="list-style-type: none"> Twenty-three (23) shipping agents were issued with licenses. The remaining two (2) shipping agents were not issued with licence because they did not pay licensing fee 	14,800	12,257
	Fifteen (15) Shipping agents inspected for Monitoring Compliance with Single Installment Tax by June 2021	Number of shipping agents inspected Expected Outcome: Compliance with single instalment tax	<ul style="list-style-type: none"> No shipping agent was inspected for compliance with single instalment tax as the MOU between TASAC and TRA on single Instalment Tax signed on 9 September 2019 had implementation challenges and expired on 8 September 2020. 	17,050	11,608
	Three hundred (300) Shipping Service Providers inspected for licensing/registration by June 2021	Number of shipping service providers inspected Expected Outcome: Increase compliance with licensing regulations	<ul style="list-style-type: none"> 348 shipping service providers were inspected for licensing/registration by June 2021. More shipping service providers were inspected due to increased number of new applicants. 	14,400	13,568
	Collating of eight hundred and sixty (860) Shipping Service Providers applications for licensing/registration undertaken by June 2021	Number of shipping service providers' applications Expected Outcome: Compliance with licensing requirements and therefore increase efficiency in service provision	<ul style="list-style-type: none"> 1,042 shipping service provider's application for licensing/registration were collated by June 2021. More shipping services provider were collated due to increased number of applications. 	3,750	280
	Fifty (50) visits conducted to monitor Shipping Agents' compliance with regulations by June 2021	Number of visits conducted Expected outcome: Increased compliance and enhance effectiveness in service delivery among shipping agents	<ul style="list-style-type: none"> Fifty (50) visits conducted to monitor Shipping Agents' compliance with regulatory requirements. 	25,950	22,891

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Forty (40) monitoring visits conducted to Consolidators/ de-consolidators to observe compliance with regulations by June 2021	Number of monitoring visits Expected outcome: increased compliance with regulations among consolidators and de-consolidators	<ul style="list-style-type: none"> Forty (40) monitoring visits were conducted to Consolidators/ De-consolidators to observe compliance with regulatory requirements. 	4,000	0
	300 Clearing and Forwarding agents monitored to check compliance with regulations by June 2021	Number of clearing and forwarding agents monitored Expected Outcome: Enhance compliance among clearing and forwarding agents	<ul style="list-style-type: none"> Three Hundred (300) Clearing and Forwarding agents monitored to check compliance with regulatory requirements. 	10,000	920
	Seven (7) border posts monitored quarterly and complied with regulations by June 2021	Number of border posts monitored Expected Outcome: Increased compliance with regulations	<ul style="list-style-type: none"> Seven (7) border posts monitored quarterly on compliance with regulatory requirements 	86,000	75,690
	Twenty-five (25) Shipping Agents monitored to check compliance with Performance Standards and Benchmarks by June 2021	Number of shipping agents monitored Expected Outcome: Increased compliance with performance standards and benchmarks	<ul style="list-style-type: none"> Twenty-five (25) Shipping Agents monitored to check compliance with regulatory Performance Standards and Benchmarks 	8,100	3,000
	100 Clearing and Forwarding agents monitored to check compliance with Standards and Benchmarks by June 2021	Number of clearing and forwarding agents monitored Expected Outcome: Enhanced compliance with standards and benchmarks	<ul style="list-style-type: none"> No Clearing and Forwarding agent was monitored to check compliance with Performance Standards and Benchmarks because there were no approved regulations in place. However, fifteen (15) CFAs were visited as a pilot for performance Standards and Benchmarks while awaiting regulations to be approved 	10,000	4,000



Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
B: Maritime safety, security and marine environment improved	Four (4) IMO meeting attended by June 2021	Number of meetings attended Expected Outcome: Enhanced Country presence International in Policy Issues	<ul style="list-style-type: none"> Outbreak of COVID 19 resulted into foreign travel restriction therefore no IMO meeting was attended for the period under review 	21,648	6,038
	Four (04) ISCOS International Activities attended by June 2021	Number of activities attended Expected Outcome: Enhanced Country presence in International Policy Issues	<ul style="list-style-type: none"> Seven (07) ISCOS International Activities were attended by June 2021 as more invitations were received which resulting into increased number of attended meetings. 	74,590	47,230
	6,000 Vessels inspection and surveys conducted by June 2021	Number of vessels inspected Expected outcome: Improved maritime safety, security and marine environment awareness among service providers.	<ul style="list-style-type: none"> 9,184 Vessels inspection and surveys were conducted by June 2021 due to Increased response from fishing boats owners resulting from enforcement of Fisheries Act, 2003 which requires vessels to have Local Safety Certificate before issuance of with fishing license; together with the requirement of inspecting Government ferries under TEMESA. 	659,860	441,584
	200 maritime safety awareness programs conducted by June 2021	Number of awareness programs Expected outcome: Improved maritime safety standards compliance.	<ul style="list-style-type: none"> 589 Maritime safety awareness programs conducted by June 2021. More awareness programs were conducted due to increased number of vessels requiring inspections and survey of vessels. 	18,080	4,452
	Four (4) stages to improve vessel, seafarer's registration and certification system implemented by June 2021.	Number of stages implemented Expected Outcome: Enhance vessel safety and a reliable maritime transport	<ul style="list-style-type: none"> Four (4) stages to improve vessel, seafarer's registration and certification system were implemented as planned. 	38,100	12,547

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	2000 seafarer certificates issued in accordance with the STCW Conventions by June 2021	Number of Seafarers Certificates issued Expected Outcome: Enhanced compliance with International standards in accordance with the STCW conventions	<ul style="list-style-type: none"> 6,812 seafarer certificates issued in accordance with the STCW Conventions by June 2021. The increase was due to: <ol style="list-style-type: none"> 1) Revalidation of seafarers' certificates 2) Suspension of issuance of seafarer certificates during COVID_19 Pandemic since previous financial year 2019/20. 	588,010	244,520
	Eighteen (18) Port facility Audit/impromptu inspections conducted to ensure compliance of the ISPS Code by June 2021	Number of inspections for Port Facility Expected Outcome: Enhanced trustworthiness of national ports to international ships.	<ul style="list-style-type: none"> Eighteen (18) Port facility Audit/impromptu inspections conducted to ensure compliance of the ISPS Code by June 2021. The audits were conducted at Kurasini Oil Jetty (KOl)-TPA; Single Point Mooring (SPM), General Cargo-TPA; and TICTS, Mtwara, Kilwa and Tanga Port, as well as Malindi port facility in Zanzibar. 	48,660	34,298
	Four (4) National Maritime Security Committee meetings conducted by June 2021	Number of Meetings conducted Expected outcome: Increased sensitivity on maritime security issues.	<ul style="list-style-type: none"> Four (4) National Maritime Security Committee meetings conducted by June 2021. One (1) NMSC meeting was conducted at Dodoma from 29.09.2020 to 30.09.2020. The 5 National Maritime Security Committee (NMSC) Ordinary Meeting held from 02 to 03 December 2020 at MoWT Conference Room-Dodoma. The 6 National Maritime Security Committee (NMSC) Ordinary Meeting held on 31 March 2021 at DMI-Dar es Salaam. The 7 National Maritime Security Committee (NMSC) Ordinary Meeting held on 30 June 2021, Dodoma. 	119,280	85,126
	Number of accidents reduced from 6 to 5 by June 2021	Number of accidents reduced Expected Outcome: Reduced casualties from marine accidents	<ul style="list-style-type: none"> Number of accidents reduced from 6 to 4 by June 2021. This was due to: -1) Increased number of awareness programs to vessel operators. 2) Improved Regulations. 	174,320	103,326

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
C: Shipping business services improved	Four (4) stages for review and implementation of Operation manual for SAS completed by June 2021	Number of stages completed Expected outcome: Enhance operational efficiency of shipping agencies services.	<ul style="list-style-type: none"> Three (3) stages for review and implementation of Operation manual for SAS were completed by June 2021. The fourth stage was not achieved due to pending SBMS issues on generation of delivery order and profoma disbursement account. 	63,200	40,013
	Seven (7) ship categories covered by Shipping agency services by June 2021	Number of ship categories handled. Expected outcome: Enhanced capacity to serve various ship categories.	<ul style="list-style-type: none"> Six (6) ship categories were covered by Shipping agency services by June 2021. Operationalization of the seventh category (pure car carrier ships) has not implemented due to un favorable cost benefit analysis results which was done by the Corporation before the start of its operation 	278,200	258,378
	300 ships handled under TASAC agency by June 2021	Number of ships handled Expected Outcome: Increased volume of ships handled under the Corporation's shipping agency services	<ul style="list-style-type: none"> 401 ships were handled under TASAC agency by June 2021. Increase in number of ship calls was due to Nations selecting our Port for crew change following the outbreak of COVID-19 and consequent lockdown in other Ports around the world. 	278,200	258,378
	Ship Tallying Services Increased from 311,472 Container Cargo to 493,332 Containers by June 2021	Number of TEUs tallied Expected Outcome: Increased capacity to tally container cargo	<ul style="list-style-type: none"> Ship Tallying Services Increased from 311,472 Container Cargo to 512,611 Containers by June 2021. This was due to the Commencement of ship tallying services at Tanga Port. -Opening up of rehabilitated berth number 5, 6 and 7 at Dar es Salaam Port has increased cargo volume for tallying purposes. 	242,040	114,396
Ship Tallying Services increased from 71,520 Units to 113,652 Units of Vehicles by June 2021	Number of Units Expected Outcome: Increased number of motor vehicles units tallied by under tallying services	<ul style="list-style-type: none"> Ship Tallying Services increased from 71,520 Units to 134,568 Units of Vehicles by June 2021. Ship Tallying Services increased due to opening up of the newly developed berth zero for handling pure car carrier vessels. 	242,040	114,396	

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Ship Tallying Services Performed on 1,044 un-manifested Packages by June 2021	Number of tally services performed Expected Outcomes: Enhanced control of tallying services on un-manifested items and thus increased revenue collections	<ul style="list-style-type: none"> Ship Tallying Services Performed on 4,255 un-manifested Packages by June 2021. Ship Tallying Services Performed on manifested packages increased due to extension of tallying services to cover additional packages which were not declared in the cargo manifest. 	242,040	114,396
	Ship Tallying Services Increased from 1,699,920 Tons to 2,711,872.80 Tons of Dry Bulk by June 2021	Tonnage tallied Expected Outcome: Increased volume of tonnages tallied on dry bulk cargo	<ul style="list-style-type: none"> Ship Tallying Services Increased from 1,699,920 Tons to 2,441,837 Tons of Dry Bulk by June 2021. Ship Tallying Services decreased due short fall in the number of ship calls thus, affecting the volume of cargo available for tallying. 	242,040	114,396
	Ship Tallying Services Increased from 345,312 Tons to 615,062 Tons of Break Bulk by June 2021	Tonnage tallied Expected Outcome: Increased volume of tonnages tallied on break bulk cargo	<ul style="list-style-type: none"> Ship Tallying Services Increased from 345,312 Tons to 817,277 Tons of Break Bulk by June 2021. Ship Tallying Services Increased due to: -1. Opening up of the rehabilitated berths number (five, six and seven) has increased number of vessels and volume of break bulk cargo for tallying. 2. increased importation of projects cargo specifically for SGR and Nyerere hydroelectric power projects. 	242,040	114,396
	Clearance of cargo to be within seven (7) days after receiving full shipping documents from the client by June 2021	Number of days taken for cargo clearance Expected outcome: Enhanced customer satisfaction and reduced cost of doing business	<ul style="list-style-type: none"> Clearance of cargo to averaged seven (7) days after receiving full shipping documents from the client by June 2021. This was achieved due to Twelve monitoring visits conducted on cargo clearance areas and increasing efficiency by reducing clearance time. 	235,730	198,084

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Fourteen (14) items under corporate exclusive mandate fully operationalized by June 2021	Number of items operationalized Expected Outcome: Increased scope on the mandated functions	<ul style="list-style-type: none"> Fourteen (14) items under corporate exclusive mandate were fully operationalized by June 2021. This was made possible by conducting: - <ol style="list-style-type: none"> quarterly awareness sessions to all CFA officers at all customs clearing points dealing with exclusive mandate items (Ports, ICDS, Customs borders i.e Tunduma, Sirari, Namanga and Mutukula), monthly shipping business directorate Meetings to facilitate improvement of shipping business services semi-annually meetings with Shipping Business stakeholders 	441,964	215,873
D: Capacity for the Corporation to discharge mandated functions enhanced	One hundred and twenty-one (121) staff recruited by June 2021	Number of staff recruited Expected outcome: Enhance Corporation capacity to discharge its mandated functions.	<ul style="list-style-type: none"> A total number of 61 staff were recruited as per recruitment permit. 	191,000	80,410
	Enhance statutory benefits to 302 staff by June 2021.	Number of staff attended Expected Outcome: Motivated and creative staff	<ul style="list-style-type: none"> Salaries and Other benefits like acting allowance, extra duties, leave passage and others were paid to 301 staff up to June 2021. In the first quarter the Corporation paid Salaries and Other benefits 246 staffs, in the second quarter paid Salaries and Other benefits 300 staffs, in the third quarter 302 staffs were paid salaries and other benefits and in the last quarter the Corporation paid salaries and other benefits to 301 staffs 	24,314,414	19,565,966

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	16% increase of annual revenue by June 2021	Percentage increase of revenue Expected outcome: Improved Level of Corporation's financial independency to finance its mandated functions.	<ul style="list-style-type: none"> A total of 84.51 billion was recognized, which is TZS 2.62 billion above the final revised target of TZS 81.89 billion, equivalent to 3.70% of actual recognized revenue of 2019/20 of TZS 70.87 billion. 	15,768,582	13,440,457
	Fifty-six (56) Tenders published by June 2021.	Number of tenders implemented Expected outcome: Enhanced Capacity of the Corporation to discharge its functions.	<ul style="list-style-type: none"> A total of 39 out of 56 tenders were implemented, that is 70% of the tenders planned in the annual procurement Plan were implemented. 	464,800	292,557
	Four (4) ICT Management Technical Guidelines developed and implemented by June 2021	Number of ICT Technical guidelines developed Expected outcome: Enhanced efficiency of Corporation operations	<ul style="list-style-type: none"> Four (4) ICT Management Technical Guidelines developed and implemented. These are: - Draft ICT Project Management Guideline developed Draft Three (3) Internal Operating Procedures developed (Access Control Management, User Access Management and Backup and Restoration Procedures) 	109,920	25,636
E: HIV/AIDS, infection reduced and supportive services improved	Draft HIV/AIDS Policy submitted to the Board Committee by June 2021.	Draft HIV/AIDS Policy developed Expected outcome: Enhanced awareness among staff resulting into reduced reported cases of HIV/AIDS at Workplace.	<ul style="list-style-type: none"> The Draft HIV/AIDS Policy has been prepared and submitted to the Board Committee for discussion and deliberations 	13,850	13,850
F: Effective implementation of National Anti-Corruption Strategy enhanced and sustained	Anti - Corruption awareness to 364 employees by June 2021	Stakeholders' perception on corruption at TASAC. Expected outcome: Enhanced Corporation culture with ethical values on high level of Integrity.	<ul style="list-style-type: none"> The anti-Corruption awareness to the entire Corporation employees was implemented as planned. 	94,678	48,823
TOTAL				45,617,846	36,298,766



14. KEY PERFORMANCE INDICATORS (CONTINUED)

14.2 Implementation Status of the Corporate Strategic Plan

The Corporation implemented most of the planned activities under the Three Years Corporate Strategic Plan (2018/19-2020/21). Some of the key results/major activities and developments which took place during the financial year ended 30 June 2021 included the following: -

(i) Maritime Transport Regulatory Role Enhanced

Issuing Licenses and registration certificates to Ports and Shipping Regulated Service providers

The Corporation issued 1,194 (30 June 2020: 1,027) licenses and registration certificates to Ports and Shipping Regulated Service Providers. The number of issued licenses and registration certificates are summarized in the Table 3 below:

Table 3: Issued Licenses and certificates in the Year 2020/21

No.	Category of Regulated Service Providers	Quantity
1	Shipping Agents	24
2	Cargo Consolidators/De-consolidators	38
3	Miscellaneous Port Services Providers	79
4	Dry Ports Operators	41
5	Clearing and Forwarding Agents	962
6	Gross Mass Verifiers	50
Total number of Licenses and certificates issued		1,194

Source: TASAC

■ Performance Monitoring of Sea and Inland Ports and Shipping Service providers to check compliance with Regulations

The Corporation conducted 28 (30 June 2020: 24) visits to fourteen (14) Inland Water Way Ports for checking compliance with the requirements of the Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020.

Furthermore, the Corporation conducted a total of 60 (30 June 2020: 34) visits were made to Gross Mass Verifiers' (GMVs') premises in Dar es Salaam for checking compliance with the requirements of the Merchant Shipping (Verified Gross Mass of a Container carrying cargo) Regulations, 2016. The visits found all regulated services providers to be compliant with the requirements of the Merchant Shipping (Verified Gross Mass of a Container Carrying Cargo) Regulation, 2016.

■ Monitoring of Cargo Passing through Border Posts

The Corporation conducted quarterly monitoring visits to seven border posts of Holili, Horohoro, Murongo, Mutukula, Mwanza, Namanga and Sirari to oversee maritime cargo passing through border posts and check compliance on the collection of TASAC fees. Observations from the visits were shared with the stakeholders to enforce compliance. This resulted into collection of unpaid shipping fees at Holili, Sirari and Horohoro border posts although some amount continues to be pursued for payment from clearing and forwarding agents.

14. KEY PERFORMANCE INDICATORS (CONTINUED)

(ii) Maritime Safety, Security and Marine Environment Improved

■ Surveys and Inspections conducted for marine vessels.

The Corporation carried out a total of 406 (30 June 2020: 369) surveys and inspections on ships of 50 GT and above.

Furthermore, the Corporation carried out a total of 9,184 (30 June 2020: 386) surveys and inspections on vessels below 50 GT (boats). This was achieved due to increased response from fishing boats owners resulting from enforcement of Fisheries Act, 2003 which requires them to have Local Safety Certificate before they are issued with fishing license and the requirement of inspecting Government ferries under TEMESA.

■ Ships and Port facilities compliance audit on ISPS code.

The Corporation issued approved Port Facility Security Plans for General Cargo and Single Point Mooring all in Dar es Salaam port. All inspected port facilities under ISPS Code maintained and consistently complied with required standards.

■ Issuance of Seafarers Certificates as per the STCW Convention 78 as amended

The Corporation continued discharging its responsibilities in relation to the International Convention on Standards of Training, Certification and Watch keeping for Seafarers 1978, as amended. The objective of the Convention is to ensure that ships are manned with competent and qualified seafarers. During the financial year ended 30 June 2021 the Corporation issued 61 (30 June 2020: 92) Certificates of Competency (COC) for Deck and Engine Officers; 6,379 (30 June 2020: 3,849) Certificates of Proficiency (COP); and 372 (30 June 2020: 290) Seafarers' Continuous Discharge Certificates (CDC).

■ Improving Environmental Sustainability and Social Compatibility of Regulated Transport Services

The Corporation exercised an oversight on issues of environmental sustainability and socio-economic needs while discharging its functions in connection with provision of regulated transport services. To this end, several initiatives were executed, namely;

- ▶ Maintained inspections in ports to ensure they provide and keep reception facilities for all kind of waste from ships including (garbage, sewage, bilges and oil) and dust bins for small vessels engaged on sheltered waters;
- ▶ Carried out surveys and inspections of 377 (30 June 2020: 369) registered ships and 9,184 (30 June 2020: 5,815) inspections and surveys of small crafts, that is, vessels under 50 gross tonnage, apart from other safety requirement, the owners or operators of the vessels were ascertained and instructed to carry environmental pollution protection facilities, including waste collection bins to prevent marine environment pollution;
- ▶ Continued monitoring ships plying in Tanzania waters for pollution prevention on a 24/7 basis through the Dares Salaam MRCC office, no pollution incident was reported.
- ▶ A monitoring and surveillance visit within the port of Dar es Salaam limit (including to outer anchorage) were conducted; and



14. KEY PERFORMANCE INDICATORS (CONTINUED)

(ii) Maritime Safety, Security and Marine Environment Improved (continued)

- ▶ Corporation managed to review the National Marine Oil Spill Response Contingency Plan to incorporate some stakeholders left out in the earlier established plan including suiting the current status of the new maritime administration.

(iii) Shipping Business Services Improved

The Corporation implemented the following activities in relation to Shipping Business operations;

- Prepared Internal operating procedures (IOPs) for Shipping Business and conducted training on Clearing and Forwarding Agency Internal operating procedures (IOPs) and customs classification and declaration;
- Prepared draft Forwarding/ Logistics Responsibility Matrix (Corporation versus client) and Minimum capacity specifications; and
- Conducted stakeholders meeting to establish work relationship with Shipping Business stakeholders, customers via consultations by categories.

(iv) Capacity for the Corporation to Discharge Mandated Functions Enhanced

• Development of Internal Rules and Regulations

The Corporation's Financial Regulations and Staff Rules and Regulations were finalized after inclusion of comments from the Office of Treasury Registrar (OTR) and resubmitted for further approval of implementation. OTR has informed Management that the documents were reviewed and submitted to the Permanent Secretary, President's Office, Public Service Management and Good Governance for approval process. Until 30 June 2021, Management was awaiting the approval for implementation.

• Publication of Order

The Government published the Tanzania Shipping Agencies (Shipping Business Fees, Charges and Commissions) Order GN No. 181 of 2021 published on 05/02/2021. This Order became effective for implementation from the date of its publication in the Government Gazette. In addition, the Order revoked the Tanzania Shipping Agencies (Shipping Business Services Fees) Order GN No. 743 of 2019 published on 18/10/2019 but recognized transactions made under the revoked Order.

• Participate in Drafting Sector Regulations

The Ministry of Works and Transport in consultation with the Corporation finalized drafting of the Tanzania Shipping Agencies (Shipping Agents) (Amendment) Regulations and the Merchant Shipping (Written laws Miscellaneous Amendment) Regulations by engaging stakeholders and incorporating received comments. The draft documents were being finalized for submission to the Attorney General's Office for publication process.

• Quality Management System based on ISO 9001:2015 Certification

The Corporation has finalized documentation of its key procedures in line with the QMS based on ISO 9001:2015. The ISO 9001:2015 is an international standard which provides for QMS Requirements that outlines some basic good business practices were put in place.

14. KEY PERFORMANCE INDICATORS (CONTINUED)

Implementation of QMS will enable the Corporation to become ISO 9001:2015 Certified and deliver the services more efficiently and effectively to meet and exceed customers' expectations. Until 30 June 2021, the Corporation concluded procurement of QMS External Auditor, Bureau Veritas of Kenya. Certification audit will be conducted in 2021/22.

- **Risk Management Policy and Framework**

The Corporation implemented its Risk Management Policy and Framework, 2020. More staff training and awareness programme were undertaken to employees, the Risk Management Steering Committee was operationalized and Risk Register and Risk Treatment Action Plan was prepared during the financial year under review.

- **ICT Projects and its Application**

The Corporation extended effort in scaling-up application of ICT in operations whereby the following initiatives were geared to scale up application of ICT in operations:

- Improving TASAC website www.tasac.go.tz with the support of eGA;
- Managing integration of TASAC and DMI system for Seafarers results;
- Enhancing Cargo Manifest Billing System by introducing Border Stations, Shipping Service Providers, Levy Return Module;
- Managing integration of TASAC billing systems with Government electronic Payment Gateway (GePG);
- Enhance ICT infrastructure by connecting regional offices to National ICT Backbone and access of ICT equipment to staff; and
- Implementing developed modules for Shipping Business Management System (SBMS).

(v) **HIV/AIDS, infection reduced, and supportive services improved**

The Corporation organised HIV/AIDS and Hepatitis B awareness program which was partly implemented. It has also prepared a draft HIV/AIDS Policy at Workplace which was pending approval of the Board.

(vi) **Effective implementation of National Anti-Corruption Strategy enhanced and sustained**

The Corporation established Ethics Committee for execution of this Strategic Goal. The committee prepared its Annual Program and started its operations during the year. The implementation of the annual program was in line with the Third National Anti-Corruption Strategies and Action Plan (NACSAP), 2017-2022.

15. CORPORATE GOVERNANCE MATTERS

15.1 *Corporate Governance Statement*

Corporate Governance is the backbone to any entity's strategy and success as it provides a framework within which corporate objectives are set and performance is monitored. Good corporate governance is critical in the public sector entities, and the Corporation in particular, because with good corporate governance, the institutional risks that would lead to failure of the Corporation to perform its regulatory functions on maritime sector and its exclusive mandate in shipping business are mitigated.



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

The Corporation is committed to the principles of good corporate governance. The Board recognizes the importance of integrity, transparency and accountability. In addition, the Board has an overall responsibility for identifying key risk areas, considering and monitoring investment decisions, significant financial matters and reviewing performance of the Corporation's plans and budgets. Furthermore, the Board is also responsible for ensuring that a comprehensive system of internal control and procedures is operative in compliance with sound corporate governance principles.

Therefore, during the year under review, the Corporation complied with all aspects of good corporate governance principles which include Board operations and control; rights of the Government and general public; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure. These are briefly explained below:

15.2 Membership of Those Charged with Governance

The Board of Directors, which consists of the Chairman and six other members, is established under Section 21 of the Tanzania Shipping Agencies Act, Cap. 415. The Chairman is appointed by the President of the United Republic of Tanzania and the Board Members are appointed by the Minister responsible for maritime transport.

The Board Chairman and Board Members were appointed on 23 April 2019. The Board had a Vice Chairman who was appointed by the Board during its 1 Ordinary Meeting held on 8 July 2019. The Vice Chairman served for a term of one year as provided for under paragraph 2 of the Schedule to the Act, Cap 415. The Board was operational until 3 May 2021 when H.E. Samia Suluhu Hassan, the President of the United Republic of Tanzania, decided to dissolve it. The new Board Chairman, Capt. Mussa H. Mandia, was appointed on 19 June 2021 by H.E. Samia Suluhu Hassan, the President of the United Republic of Tanzania. The appointment process of new Board Members was ongoing as at 30 June 2021 until 7 July 2021 when the Minister for Works and Transport appointed them. In addition, appointment of the Director General, Mr Emmanuel S. Ndomba, was terminated on 4 April 2021 by H.E. Samia Suluhu Hassan, the President of the United Republic of Tanzania and she appointed Mr Kaimu Abdi Mkeyenge to that post. The Director General is also the Secretary to the Board.

Table 4 below shows the Board Members who served the Corporation during the financial year under review and Table 4a shows the new Board Members.

Table 4: Board Members and Board Secretary for the Year 2020/21

Name	Gender	Position	Nationality	Qualification	Age	Appointment/ Resignation	Meetings Attendances
Capt. Mussa Hamza Mandia	Male	Chairman	Tanzanian	Master of Science in Maritime Education, World Maritime University, Malmo, Sweden, 2000; Master Class One Certificate of Competency, Australian Maritime Safety Authority, 1997; Chief Mate Course (Certificate), Arab Maritime Transport Academy, Alexandria, Egypt, 1988.	64	19 June 2021	0/4
Prof. Tadeo Andrew Satta	Male	Chairman	Tanzanian	PhD (Finance) at Manchester University, UK; Master of Business Administration (MBA), University of Hull, UK.	60	23 April 2019 / 03 May 2021	4/4
Eng. Japhet Yaredi Maselle	Male	Member/ Vice- Chairman	Tanzanian	Bachelor of Science Degree In Mechanical Engineering, Welding Technology-Cairo Metallurgical Institute (CMRDI) - Egypt, Plant Maintenance (Road construction Machinery-Osaka International Centre (OSIC) -Japan.	65	23 April 2019 / 03 May 2021	3/4
Mr. Ngosengwa Daniel Mchome	Male	Member	Tanzanian	Graduate Diploma in Shipping, Blinden University, The University of Norway (1980); Diploma in Shipping, Norwegian Shipping Academy, Norway (1974); Certificate in Office Management and Government Accounting (1967).	77	23 April 2019 / 03 May 2021	3/4
Capt. Mussa Hamza Mandia	Male	Member	Tanzanian	Master of Science in Maritime Education & Training, World Maritime University, Malmo, Sweden, 2000; Master Class One Certificate of Competency, Australian Maritime Safety Authority, 1997; Chief Mate Course (Certificate), Arab Maritime Transport Academy, Alexandria, Egypt, 1988.	64	23 April 2019 / 03 May 2021	2/4
Mr. Said Ally Nzori	Male	Member	Tanzanian	Master Degree (LLM)(Hons) in Commercial Laws (International Trade), the Russian People's Friendship University, Moscow Russia (1995); Bachelor Degree in Law (LLB), the Peoples Friendship University, Moscow Russia (1993); Diploma in Translation, the Russian People's Friendship University, Moscow Russia (April 1995).	58	27 January 2020 / 03 May 2021	3/4
Mr. Renatus Gervas Mkinga	Male	Member	Tanzanian	Bachelor of Arts (Hons) on International Relations and Public Administration, University of Dar es Salaam, 1984; Post-graduate Diploma of Law, University of Dar es Salaam, 1987; Hubert Humphrey Fellow, University of Texas at Austin, USA, 1993.	71	23 April 2019 / 03 May 2021	2/4
Mr. Usaje Bernard Asubisye	Male	Member	Tanzanian	Master's degree in business administration option Multinational Financial Management and Managerial Finance (Cardiff University, Wales, UK; Advanced Diploma in Accountancy (ADA), St. Augustine University of Tanzania (SAUT); Professional Level I, Association of Chartered Certified Accountant (ACCA), UK.	56	23 April 2019 / 03 May 2021	1/4
Mr. Emmanuel Stephen Ndomba	Male	Secretary (Director General)	Tanzanian	Master of Science in Maritime Affairs, World Maritime University, Malmo, Sweden, 2001; Advanced Diploma in Business Administration (ADBA), Mzumbai, 1994; Diploma in Professional Shipping, Oslo, Norway, 1999	58	23 April 2019 / 04 April 2021	3/4
Mr. Kaimu Abdi Mkeyenge	Male	(Director General)	Tanzanian	Master of Business Administration, De Montfort University - UK, 2009; Postgraduate Diploma in Tax Management, the Institute of Finance Management, 2014; Bachelor of Business Administration, 2004.	41	04 April 2021	0/4

Source: Board Chairman and Members Curriculum Vitae, Letters of appointment and Board attendance register.

Table 4a: Newly Appointed Board Members and Board Secretary

Name	Gender	Position	Nationality	Qualification	Age	Appointment/ Resignation
Capt. Mussa Hamza Mandia	Male	Chairman	Tanzanian	Master of Science in Maritime Education & Training, World Maritime University, Malmo, Sweden, 2000; Master Class One Certificate of Competency, Australian Maritime Safety Authority, 1997; Chief Mate Course (Certificate), Arab Maritime Transport Academy, Alexandria, Egypt, 1988.	64	19 June 2021
Ms. Rukia D. Shamte	Female	Member/ Vice-Chairman	Tanzanian	Fellow-Member of the Chartered Institute of Logistics (UK), 2013; Master of Science in Transport Studies (Business Logistics Management), Cranfield Institute of Technology (UK), 1988; Postgraduate Diploma in Transport Planning and Development, Polytechnic of Central London (UK), 1983; Advanced Diploma in Transport Management, National Institute of Transport (NIT), 1979.	71	7 July 2021
Mr. Said Ally Nzori	Male	Member	Tanzanian	Master Degree (LLM)(Hons) in Commercial Laws (International Trade), the Russian People's Friendship University, Moscow Russia (1995); Bachelor Degree in Law (LLB), the Peoples Friendship University, Moscow Russia (1993); Diploma in Translation, the Russian People's Friendship University, Moscow Russia (April 1995).	58	7 July 2021
Mr. Said Athumani Kiondo	Male	Member	Tanzania	Masters of Customs Administration Law and Policy, Wilhelm University of Muenster, Germany, 2006; Masters of Business Administration (MBA), University of Dar es Salaam, 2003; Bachelor of Commerce (Marketing), University of Dar es Salaam, 1998.	52	7 July 2021
Eng. Aron Johnson Kisaka	Male	Member	Tanzania	Registered Mechanical Engineer (T) No. 0141, Engineers Registration Board (ERB); Member of Chartered Institute of Transport and Logistics (CILT); Master of Science in Automobile and Automobile Services, Moscow State Automobile & Road Construction Institute (Technical University) – Russian Country; Moscow City, 1996; Full Technician in Mechanical Engineering, Dar es Salaam Technical College, 1986;	56	7 July 2021
Capt. King Kwirujila Ngabho Chiragi	Male	Member	Tanzanian	Diploma in Marine Surveying with Accreditation in ISM Code, International Institute of Marine Surveyors and the National Sea Training Centre, 2002; Master of Science in Maritime Education and Training (Nautical), World Maritime University, Malmo, Sweden, 1997; Diploma in Applied Science (Shipmaster), Australian Maritime Academy (AMC), 1994; Diploma in Navigation, Dairren Marine Transport College, Dairren, China, 1978.	68	7 July 2021
Mr. Cassian H. Ng'amilo	Male	Member	Tanzanian	Master of Science in International Shipping, University of Plymouth, UK, 1995; Diploma in Professional Shipping; Norwegian Shipping Academy, Oslo, Sweden, 1994; Advanced Diploma in Business Administration, the Institute of Development Management (IDM), Mzumbai, 1986; and Certificate in Maritime Law, Oslo, 1994.	61	7 July 2021
Mr. Kaimu Abdi Mkeyenge	Male	(Director General)	Tanzanian	Master of Business Administration, De Montfort University – UK, 2009; Postgraduate Diploma in Tax Management, the Institute of Finance Management, 2014; Bachelor of Business Administration, 2004.	41	4 April 2021

Source: Board Chairman and Members Curriculum Vitae, Letters of Appointment and Board Attendance Register.

15. CORPORATE GOVERNANCE MATTERS(CONTINUED)

15.3 Board operations and control

The principle on appointment, composition, size and qualifications of Board members was observed by the appointing authorities; the President of the United Republic of Tanzania on appointment of the Board Chairman, and the Minister of Works and Transport on appointment of Board Members. These principles were observed as follows:

(a) Diversity

The Board is composed of members of different qualifications with diversity of strength and knowledge of the maritime transport sector. Diversity is observed through differentiation in the age of Directors, their gender, professional qualifications and previous experiences. In addition, members were appointed from the public institution; namely the Ministry responsible for maritime, Attorney General's Office and the Customs Department of the Tanzania Revenue Authority while others were appointed from the public and private sectors. As well, they are members of professional bodies.

(b) Structure of the Board

To ensure effectiveness and value addition to the Corporation, the Board has a maximum of seven (7) members including the Chairman. In addition, the Board had established its Committees including Audit and Risk Committee, Regulated Services Committee, Shipping Business and ICT Committee, Corporate Affairs Committee and Finance and Planning Committee. The Board and its Committees have Charters which provide terms of reference and guidance on undertaking their oversight role. Thus, the Board ensures that its Committees are appropriately constituted with members who have the necessary skills and expertise to handle the responsibilities allocated to them.

(c) The Functions of the Board

To enhance accountability to the Government and the public at large, the Corporation has ensured that:

- it has distinguished the roles reserved for the Board and those delegated to the Management of the Corporation;
- the functions of the Board Chairman and the Director General of the Corporation are not exercised by the same individual;
- the Board Chairman is a non-executive director;
- the Director General is the Secretary to the Board assisted by a qualified and competent officer of good standing from the Legal Services Unit trained for such service at the Institute of Directors in Tanzania (IoDT);
- the Corporation's strategies are sustainable;
- the Corporation has clearly identified the Board's fiduciary duties; and
- it has established a Conflict of Interest Policy where during every Board or Committees meetings, there is an agenda for declaration of conflict of interest by participants.

(d) The Board Independence

The Corporation assesses the independence of Board members on an annual basis, to ensure that the Board always benefits from independent and objective judgment.



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(e) The Board Instruments

The Corporation has developed the Board's Code of Ethics and Conduct, 2021 in compliance with in accordance with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2016. The Code has been cascaded down to all employees, as well as to the established Charters of the Board and its Committees so as to guide the Board in undertaking its oversight role and planned activities. The Code and the Charters are reviewed where needs arise to cope with changes. Further, the Board develops a work plan and an evaluation toolkit annually, to ensure effectiveness.

(f) Governance on Audit

The Board continues to oversee Management implementation of the Controller and Auditor General's recommendations made during the statutory audit of the financial year 2019/20. In addition, the Board continues to oversee Management implementation of recommendations made by the Office of the Treasury Registrar following Management/ Governance audit conducted in the financial year 2019/20.

(i) Rights of the Government and the General Public

The Corporation recognizes, respects and protects the rights of the Government and the general public through:

- Availing information on the Corporation's performance by submission of quarterly performance reports to relevant Government authorities and publishing annual reports together with audited financial statements;
- Ensuring equitable treatment of all regulated service providers and customers in discharging the Corporation functions;
- Ensuring that Government, Ministries and Agencies hold meetings with the Corporation's Management, when required, to discuss any matter related to the Corporation's performance or service delivery; and
- Engaging the media on dissemination of important Corporation's information.

(ii) Stakeholder Relations

The Board has identified eight (8) categories of stakeholders; the Government, employees, regulated service providers, shipping business customers, suppliers, business partners, society and regulators and policy-makers. Before making its decisions, the Board takes the interests of all stakeholders into account to ensure that engagement with stakeholders is deliberate and planned. Furthermore, the Board wishes to ensure that communication with stakeholders is always transparent and effective.

(iii) Ethics and social responsibility

The Board has identified the following four ethical values, which underpin good corporate governance, to guide all its deliberations, decisions and actions:

- **Responsibility:** The Board assumes responsibility for the assets and actions of the Corporation and is willing to take corrective actions to keep the Corporation on a strategic path that is ethical and sustainable;

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

- **Accountability:** The Board justifies its decisions and actions to the Government and other stakeholders;
- **Fairness:** The Board ensures that it considers the legitimate interests and expectations of all stakeholders; and
- **Transparency:** The Board discloses information in a manner that enables stakeholders to make an informed analysis of the Corporation's performance and sustainability.

The Corporation has developed the Board's Code of Ethics and Conduct, 2021 to ensure that its business is conducted according to the highest ethical standards and in compliance with all the applicable laws and regulations governing the regulation of maritime sector and exclusive mandate on shipping business. The provisions of the Code apply to the Board, Management and all staff of the Corporation.

(iv) Risk Management, Internal Control and Accountability

The Corporation is committed to ensure existence of a continuous process of risk management and internal controls which ensures business continuity on service delivery so as to achieve the strategic goals while managing the risks.

An overall policy framework on risk and internal control has been developed, which includes the institutional Risk Management Framework and Policy with its related processes, guidance and tools. The Corporation is committed to identifying and managing risks to its work plans and defining and implementing efficient and effective internal controls, to strengthen its ability to meet objectives and deliver benefits and goals expected by its regulated service providers, customers and all stakeholders.

Good risk management identifies the potential events which could affect the achievement of goals and develops action plans for addressing these risks - allowing informed decision-making, better prioritization and improved use of resources. The Corporation's approach to risk management does not aim to eliminate or avoid risk but to be aware of it, reducing risk to an acceptable level and balancing risks and opportunities when deciding on a course of action.

The established risk management process includes the implementation of regularly updated risk analyses and mitigation plans at all levels of the Corporation, both at head office and upcountry offices. The purpose is both to create a tool for internal management of each Directorate, Unit or Section so as to provide information to the Corporation's Management on key risks identified and how these are managed. In addition to this bottom-up review of risks, the Corporation has integrated risk management in its corporate strategic planning and results-based management processes.

Every staff of the Corporation has an important role in risk management process and controls as part of their work. In particular, all Directors, Heads of Unit and Managers are accountable for identifying and managing risks and overseeing definition and implementation of internal controls, policies and procedures within the area under their authority, including management of issues which arise.



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(v) Transparency and disclosure

(a) Policy on Conflict of Interest

The Board has established a Conflict of Interest Policy, in recognition that excessive activities, gratuities and access to information may lead to actual or potential conflicts of interest between the interests of the Corporation and those of its relevant persons. The Policy identifies the activities which may compete or conflict with the Corporation's interests and outlines the steps to manage conflict of interest when it arises.

(b) Policy on IT

The Board has developed various IT policies, so as to enable the Corporation to realise its digitization agenda. The policies provide in-depth coverage and guidance on IT-related matters such as: business continuity plan (BCP)/disaster recovery plan (DRP), Service Level Agreement (SLA) management, project management, server room management, business partnerships, database procedures, incident management, invoice processing, quality assurance, security procedures and software design, development and testing.

(c) Policy on Procurement

The Board has developed the Corporation Procurement Policy in line with the Public Procurement Act, Cap 410 and its Regulations as amended, so as to:

- Promote best practices, transparency and professionalism in all acquisition processes within the Corporation;
- Ensure that suppliers of goods and services are subjected to a competitive tendering process in order to achieve quality, price competitiveness and reliability;
- Ensure that all expenditures are incurred in accordance with the approved plan and budget and the annual procurement plan (APP); and
- Ensure compliance with applicable regulations and legislations.

(d) Policy on Environmental Protection

Environmental protection is a social and economic necessity and an integral component of sustainable development. Similarly, sustainable development is the central concept on environmental policy. Sustainable development means achieving a quality of life that can be maintained for many generations because it is socially desirable, economically viable and environmentally sustainable.

The Corporation is committed to support the Government of Tanzania to ensure sustainable development is made through short, medium and long-term social and economic growth. This will be achieved by observing the following:

- Coordinate implementation of the International conventions, protocols and codes issued by IMO and ratified the Government of Tanzania including International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto and by the Protocol of 1997 (MARPOL);
- Compliance with legislation on environmental protection including the guidance of the National Environmental Management Council (NEMC) issued from time to time;

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

- Provide education and create awareness on maritime safety, security and maritime environmental protection to the maritime transport operators, service providers, consumers and general public.

15.4 Meetings of Those Charged with Governance

The Board is required to meet at least four times a year. The Board meetings are held once quarterly with additional meetings convened as and where necessary. During the financial year ended 30 June 2021, the Board held four (4) meetings, of which three (3) were ordinary and one (1) was an extra-ordinary.

The Board meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- Proposal on Amendment of the Tanzania Shipping Agencies (Shipping Agents) Regulations, GN. No. 339/2018 and Various Rules and Regulations made under the Merchant Shipping Act, Cap. 165 to enable TASAC to regulate Government ferries;
- Proposal of making Performance Benchmarks Regulations;
- The Tanzania Shipping Agencies (Shipping Business Fees) Order, 2019 as Revised by the Ministry of Finance and Planning for approval;
- Revised TASAC Board of Directors Charter (2018/19 – 2020/21) and Committee Charters in accordance to the guideline of the Office of Treasury Registrar including Charter of:
 - o Regulated Services Committee (RSC);
 - o Shipping Business and ICT Committee (SBIC);
 - o Corporate Affairs Committee (CAC); and
 - o Finance and Planning Committee (FPC);
- Status of Shareholders of Clearing and Forwarding Companies and Dry Ports to Ascertain Shareholding in Shipping Agents Companies;
- Recommendations on Ocean Freight Tariff Book;
- Recommendations on Fare Application submitted by Marine Service Company Limited (MSCL) for Services of MV. New Victoria Hapa Kazi Tu and MV. New Butiama Hapa Kazi Tu;
- Internal Audit Unit Performance Report (October to 30 December 2019);
- Interim Audit Report on International Maritime Organization (IMO) Member State Audit Scheme (IMSAS) Audit of the United Republic of Tanzania conducted from 9 to 18 March 2019;
- TASAC Risk Management Policy and Framework;
- TASAC Draft Financial Statements for the year ended 30 June 2020 for submission to the External Auditors' (CAG) for auditing;
- The Controller and Auditor General (CAG) of the Audit Plan and Fees for undertaking the statutory audit for the year 2019/20;
- External Auditors Demand for Additional Audit Fees for Time Overrun of TZS 47,768,680;



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

15.4 *Meetings of Those Charged with Governance (Continued)*

- Action Plan for Implementing External Audit Findings and Recommendations for the Year 2018/19;
- Internal Audit Unit Quarterly Performance Report 1 January to 31 March 2020;
- Risk Based Annual Internal Audit Plan (July 2020 to June 2021);
- Exit Meeting with CAG for the Audit of the Financial Statements for the Year 2019/20;
- Audited draft Financial Statements and Management Letter for the Multinational Lake Victoria Maritime Communication and Transport (MLVMCT) Project;
- Negotiation of Additional Audit Fees for time Overrun during the Audit of the Financial Statements for the Year 2018/19;
- Internal Audit Unit Quarterly Performance Report: 4 Quarter of 2019/20 and 1 Quarter of 2020/21;
- National Road Map: Corrective Action Plan for Implementing Findings and Observations Identified During IMO Member States Audit Scheme for United Republic of Tanzania;
- Draft TASAC Risk Register and Treatment Action Plan;
- Report on the Risk Treatment/Mitigation Plan;
- Furtherance of Clearing and Forwarding Function;
- TASAC ICT Policy;
- TASAC Security Policy;
- TASAC Disaster Recovery Plan;
- Recommendations on implementation of Shipping Agency for Pure Car Carriers;
- Re-Submission of Recruitment of Sixty (60) Clearing and Forwarding Officers under the Directorate of Shipping Business;
- Placement of Drivers at TASAC by Recruitment Secretariat;
- TASAC Quality Management System (QMS) Manual;
- TASAC Client Service Charter 2021;
- TASAC HIV/AIDS Policy 2021;
- TASAC Draft Loan Policy;
- Revised Plan and Budget for Financial Year 2019/20;
- Proposed Revised Annual Plan and Budget and Annual Procurement Plan for Financial Year 2020/21;
- Proposed Plan and Budget (MTEF) 2021/22-2023/24 and Annual Procurement Plan for the Financial Year 2021/2022;
- 1 Quarter Performance Report (July-September 2020);
- 3 Quarter Performance Report for Financial Year 2019/20;
- 3 Quarter Performance Review Report for the period ending March 2021;
- Performance Review Report for the 4 Quarter Ended 30 June of the Financial Year 2019/20;
- Request for approval of use of surplus fund;

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

15.4 *Meetings of Those Charged with Governance (Continued)*

- Status on the Implementation of Action Plan of Multinational Lake Victoria Maritime Communications and Transport (MLVMCT) Project;
- Multinational Lake Victoria Maritime Communications and Transport (MLVMCT) Project: Request for Approval to Open Operation Bank Accounts in Commercial Bank;
- TASAC Bank Accounts and Authorized Signatories;
- TASAC 2 Five Years Corporate Strategic Plan (2021/22-2025/26);
- 2 Quarter (Half-Year) Performance Review Report for the period ending December 2020;
- Presentation of the Board's Activities Program for 2020/21 for approval, Mwanza Visit's Report held from 22 to 26 June 2020 and 4 Board Visit held from 25 January to 2 February 2021 at Southern Highlands Regions; and
- Status on the Implementation of TASAC SBMS as at 9 April 2021.

15.5 *Committees of Those Charged with Governance*

To ensure a high standard of corporate governance throughout the Corporation, the Board formed five (5) Committees in compliance with section 24 of the Tanzania Shipping Agencies Act, Cap. 415. The formed Committees of those charged with governance are:

- (i) Audit and Risk Committee;
- (ii) Corporate Affairs Committee;
- (iii) Shipping Business & ICT Committee;
- (iv) Regulated Services Committee; and
- (v) Finance and Planning Committee.

However, the new Board decided to operate with four Board's Committees instead of five (5) by combining Corporate Affairs Committee and Finance and Planning Committee so that members can effectively be divided and perform effectively in fewer committees. The composition and details of the Board Committees and number of meetings attended by the Chairman and members of the committee during the financial ended 30 June 2021 are provided hereunder:

(a) Audit and Risk Committee

The Audit and Risk Committee (ARC) was formed by the Board on 9 July 2019 under section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a Chairman and two (2) members, who are also the Board Members.

The responsibilities of the ARC are to assist the Board in its oversight responsibility with respect to internal audit functions, internal control systems, internal and external audit reports, financial statements, risk management policy and implementation of the auditors' and Parliamentary Accounts Committee (PAC) recommendations. The ARC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2021, the Committee held four (4) meetings, of which two (2) were ordinary and two (2) were extra-ordinary. The Members of ARC who served during the financial year ended 30 June 2021 are shown in Table 5 below:



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

15.5 Committees of Those Charged with Governance (Continued)

(a) Audit and Risk Committee (Continued)

Table 5: Board's Audit and Risk Committee Members in 2020/21

Name	Position	Nationality	Age	Appointment/ Resignation	Meetings Attendances
Mr. Usaje Bernard Asubisiye	Chairman	Tanzanian	56	9 July 2019 / 03 May 2021	2/4
Eng. Japhet Yaredi Maselle	Member	Tanzanian	65	9 July 2019/ 03 May 2021	4/4
Mr. Ngosengwa Daniel Mchome	Member	Tanzanian	77	9 July 2019/ 03 May 2021	4/4

Source: TASAC

The ARC meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- Internal Audit Unit Performance Report (October to 30 December 2019);
- Interim Audit Report on International Maritime Organization (IMO) Member State Audit Scheme (IMSAS) Audit of the United Republic of Tanzania conducted from 9 to 18 March 2019;
- Draft TASAC Risk Management Policy and Framework;
- TASAC Draft Financial Statements for the year ended 30 June 2020 for submission to the External Auditors' (CAG) for auditing;
- Submission by the Controller and Auditor General (CAG) of the Audit Plan and Fees for undertaking the statutory audit for the year 2019/20. External Auditors Demand for Additional Audit Fees for Time Overrun of TZS 47,768,680;
- Action Plan for Implementing External Audit Findings and Recommendations for 2018/19;
- Internal Audit Unit Quarterly Performance Report 1 January to 31 March 2020.
- Risk Based Annual Internal Audit Plan (July 2020 to June 2021). Exit Meeting with CAG for the Audit of the Financial Statements for the Year 2019/20;
- Audited draft Financial Statements and Management Letter for the Multinational Lake Victoria Maritime Communication and Transport (MLVMCT) Project;
- Negotiation of Additional Audit Fees for time Overrun during the Audit of the Financial Statements for the Year 2018/19;
- Internal Audit Unit Quarterly Performance Report: 4 Quarter of 2019/20 and 1 Quarter of 2020/21;
- National Road Map: Corrective Action Plan for Implementing Findings and Observations Identified During IMO Member States Audit Scheme for United Republic of Tanzania.
- Draft TASAC Risk Register and Treatment Action Plan; and
- Submission of the Report on the Risk Treatment/Mitigation Plan

(b) Corporate Affairs Committee

The Corporate Affairs Committee (CAC) was formed by the Board on 9 July 2019 under Section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a Chairman and two (2) members, who are also the Board Members.

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

15.5 Committees of Those Charged With Governance (Continued)

(b) Corporate Affairs Committee (Continued)

The responsibilities of the CAC are to assist the Board in its oversight responsibility with respect to Human Resource Management and Administration matters. The CAC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2021, the Committee held three (3) meetings, of which all were ordinary and there was no extra-ordinary meeting. The Members of CAC who served during the financial year ended 30 June 2021 are shown in Table 6 below:

Table 6: Board's Corporate Affairs Committee Members in 2020/21

Name	Position	Nationality	Age	Appointment/ Resignation	Meetings Attendances
Mr. Renatus Gervas Mkinga	Chairman	Tanzanian	71	9 July 2019/ 03 May 2021	0/3
Mr. Said Ally Nzori	Member	Tanzanian	58	14 April 2020/ 03 May 2021	3/3
Eng. Japhet Yaredi Maselle	Member	Tanzanian	65	14 April 2020/ 03 May 2021	3/3

The Committee meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- Re-Submission of Recruitment of Sixty (60) Clearing and Forwarding Officers under the Directorate of Shipping Business;
- Submission of the draft Charter of the Corporate Affairs Committee (CAC);
- Placement of Drivers at TASAC by Recruitment Secretariat;
- Draft TASAC Quality Management System (QMS) Manual;
- Presentation of the Proposed TASAC Client Service Charter 2021;
- Presentation of the Proposed TASAC HIV/AIDS Policy 2021;
- Presentation of the Proposed TASAC Draft Loan Policy; and
- Submission of the draft Charter of the Corporate Affairs Committee (CAC).

(c) Shipping Business and ICT Committee

The Shipping Business and ICT Committee (SBIC) was formed by the Board on 9 July 2019 under Section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a Chairman and two (2) members, who are also the Board Members.

The responsibilities of the SBIC are to assist the Board in its oversight responsibility with respect to the execution of the Corporation's exclusive mandate on shipping business functions, which include shipping agency, document control, ship tallying and clearing and forwarding agency. It will also be responsible for ICT and Statistics. The SBIC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2021, the Committee held three (3) meetings, of which all were ordinary and there was no extra-ordinary meeting. The Members of SBIC who served during the financial year ended 30 June 2021 are shown in Table 7 below:



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(c) Shipping Business and ICT Committee (Continued)

Table 7: Board's Shipping Business and ICT Committee Members in 2020/21

Name	Position	Nationality	Age	Appointment / Resignation	Meetings Attendances
Mr. Ngosengwa Daniel Mchome	Chairman	Tanzanian	77	9 July 2019/ 03 May 2021	3/3
Eng. Japhet Yaredi Maselle	Member	Tanzanian	65	9 July 2019/ 03 May 2021	3/3
Capt. Mussa Hamza Mandia	Member	Tanzanian	64	14 April 2020/ 03 May 2021	2/3

The SBIC meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- Furtherance of Clearing and Forwarding Function;
- Submission of the draft Charter of the Shipping Business and ICT Committee (SBIC);
- Draft TASAC ICT Policy;
- Draft TASAC Security Policy;
- Draft TASAC Disaster Recovery Plan Recommendations on implementation of Shipping Agency for Pure Car Carriers;
- Resource requirements for shipping business functions, challenges and proposed solutions;
- Schedule of operationalization of exclusive mandate yet to be implemented;
- Furtherance of Freight Forwarding Functions;
- Implementation of Exclusive Mandate on Shipping Agency for General Cargo Ships; and
- Directives to Licenced Shipping Agents on application of Storing Order and Demurrage Charges.

(d) Regulated Services Committee

The Regulated Services Committee (RSC) was formed by the Board on 9 July 2019 under Section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a Chairman and two (2) members, who are also the Board Members.

The responsibilities of the RSC are to assist the Board in its oversight responsibility with respect to the regulated services under the Directorate of Maritime Transport Services and the Directorate of Maritime Safety, Security and Environment. The RSC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2021, the Committee held three (3) meetings, of which all were ordinary and there was no extra-ordinary meeting. The Members of RSC who served during the financial year ended 30 June 2021 are shown in Table 8 below:

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 8: Board's Regulated Service Committee Members in 2020/21

Name	Position	Nationality	Age	Appointment/ Resignation	Meetings Attendances
Mr. Said Ally Nzori	Chairman	Tanzanian	58	14 April 2020/ 03 May 2021	3/3
Capt. Mussa Hamza Mandia	Member	Tanzanian	64	9 July 2019/ 03 May 2021	3/3
Mr. Renatus Gervas Mkinga	Member	Tanzanian	71	14 April 2020 / 03 May 2021	2/3

Source: TASAC

The Committee meetings, during the financial year under review, discussed and deliberated on the following main issues:

- Proposed Amendment of the Tanzania Shipping Agencies (Shipping Agents) Regulations, GN. No. 339/2018;
- Proposed Amendments of Various Rules and Regulations made under the Merchant Shipping Act, Cap. 165 to enable TASAC to regulate Government ferries;
- Submission of the draft Charter of Regulated Services Committee (RSC);
- Status of Shareholders of Clearing and Forwarding Companies and Dry Ports to ascertain Shareholding in Shipping Agents Companies;
- Recommendations on Ocean Freight Tariff Book;
- Recommendations on Fare Application submitted by MSCL for the services of MV. New Victoria Hapa Kazi Tu and MV. New Butiama Hapa Kazi Tu; and
- Presentation of the Proposed Performance Benchmarks Regulations.

(e) Finance and Planning Committee

The Finance and Planning Committee (FPC) was formed by the Board on 22 January 2020 under Section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a Chairman and two (2) members, who are also the Board Members.

The responsibilities of FPC are to assist the Board in its oversight responsibility with respect to finance and planning of the Corporation. This includes Corporate Strategic Planning, Annual Plans and Budgets; Annual Procurement Plans and Quarterly and Annual Performance Reports. The FPC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2021, the Committee held four (4) meetings, of which three (3) were ordinary and one (1) was extra-ordinary. The Members of FPC who served during the financial year ended 30 June 2021 are shown in Table 9 below:

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(e) Finance and Planning Committee (Continued)

Table 9: Board's Finance and Planning Committee Members in 2020/21

Name	Position	Nationality	Age	Appointment / Resignation	Meetings Attendances
Capt. Mussa Hamza Mandia	Chairman	Tanzanian	64	22 January 2020 / 03 May 2021	4/4
Mr. Said Ally Nzori	Member	Tanzanian	58	14 April 2020 / 03 May 2021	3/4
Mr. Usaje Bernard Asubisye	Member	Tanzanian	56	14 April 2020 / 03 May 2021	2/4

The Committee meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- Request for Approval of Revised Plan and Budget for Financial Year 2019/20;
- 3 Quarter Performance Report for Financial Year 2019/20;
- Submission of the draft Charter of Finance and Planning Committee (FPC);
- Proposed Plan and Budget (MTEF) 2021/22-2023/24 and Annual Procurement Plan for the Financial Year 2021/2022; Multinational Lake Victoria Maritime Communications and Transport (MLVMCT) Project: Request for Approval to Open Operation Bank Accounts in Commercial Bank;
- TASAC Bank Accounts and Authorized Signatories;
- Performance Review Report for the 4 Quarter Ended 30 June of the Financial Year 2019/20;
- TASAC 2 Five Years Corporate Strategic Plan (2021/22-2025/26);
- 1 Quarter Performance Report (July-September 2020);
- Proposed Plan and Budget (MTEF) 2021/22-2023/24 and Annual Procurement Plan for the Financial Year 2021/2022;
- Submission of the proposed draft revised TASAC Board of Directors Charter (2018/19 – 2020/21);
- Proposed Revised Annual Plan and Budget and Annual Procurement Plan for Financial Year 2020/21;
- 2 Quarter (Half-Year) Performance Review Report for the period ending December 2020;
- 3 Quarter Performance Review Report for the period ending March 2021; and
- Request for approval of use of surplus fund.

15.6 Management of the Corporation

The Director General, who is also the Chief Executive Officer of the Corporation and the Secretary to the Board, is responsible to the Board for the proper administration and management of the functions and affairs of the Corporation. The Corporation's Management team, which is under the supervision of the Director General demonstrated capability to handle all operational and administrative matters efficiently. This was proven even during the period of operating without a full Management team and before the Board was appointed. The Management, under the Director General, is organized into four (4) Directorates and six (6) Units as follows: -

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(a) Directorates

Directorate of Maritime Safety, Security and Environment (DMSE), Directorate of Maritime Transport Regulation (DMTR), Directorate of Shipping Business (DSB) and Directorate of Corporate Services (DCS).

(b) Units

Economic Regulation Unit (ERU), Finance and Accounts Unit (FAU), Legal Services Unit (LSU), ICT and Statistics Unit (ICTSU), Internal Audit Unit (IAU) and Procurement Management Unit (PMU).

However, following the amendment of the Tanzania Shipping Agencies Act, No. 14 of 2017 by the Written Laws (Miscellaneous Amendments) Act, No. 3 of 2019, which extended the Corporation's exclusive mandate, the Board plans to review the Corporation's Organisation Structure and Scheme of Service for proper execution of the extended exclusive mandate.

The additional exclusive mandate is on clearing and forwarding functions related to import and export of fertilizers, industrial sugar, domestic sugar, edible cooking oil, wheat, oil products, gas, liquefied gas and chemicals or any other liquid related products. The other additional mandate is on shipping agency functions in relation to tanker ships, pure car carriers' vessel, cruise vessel, exhibition vessel, casual caller, chartered vessel and military ship; and minerals, mineral concentrates, machineries, equipment, products or extracts related to minerals and petroleum, firearms and ammunition, live animals, Government trophies, fertilizers, industrial and domestic sugar, edible or cooking oil, wheat oil products, gas, liquefied gas and chemicals or any other liquid related products.

16. APPOINTMENT OF AUDITOR

Article 143 of the Constitution of the United Republic of Tanzania of 1977 and section 10 of the Public Audit Act, Cap 418 (R.E. 2021) mandates the Controller and Auditor General as the statutory auditor of all public sector entities including Tanzania Shipping Agencies Corporation (TASAC). In addition, section 39 (2) of the Tanzania Shipping Agencies Corporation Act, Cap 415 earmarked the CAG as the statutory auditor of the TASAC's financial statements.

17. RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Corporation present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSASs), the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Tanzania Shipping Agencies Act, Cap. 415 and the Public Finance Act, Cap. 348.

18. STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements, pursuant to section 39(1) of the Tanzania Shipping Agencies Act, Cap. 415. Furthermore, Those Charged with Governance accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), the Public Finance Act, Cap. 348, NBAA's Pronouncements and the requirements of the Tanzania Shipping Agencies Act, Cap 415.



Therefore, Those Charged with Governance are of the opinion that the financial statements of the Corporation give a true and fair view of the Corporation's state of the financial affairs and of its operating results for the year ended 30 June 2021.

19. POLITICAL AND CHARITABLE DONATIONS

The Corporation did not make any political donations during the year ended 30 June 2021. Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge the Corporation's responsibility to community social needs. During the financial year ended 30 June 2021 the Corporation spent TZS 65.90 million (30 June 2020: TZS 40.4 million) to support a number of social and economic development initiatives implemented throughout the country. The list of beneficiaries on corporate social responsibilities funds for the financial year 2020/21 is provided under Table 10 below:

Table 10: Beneficiaries of Corporate Social Responsibilities Fund for 2020/21

S/N	Beneficiary's Name	Amount (TZS '000)	Purpose
1.	National Board of Accountants and Auditors	7,000	TASAC sponsorship on the Accountants Annual Conference held from 3 to 5 December 2020 at APC Conference Centre.
2.	Chief Promotions	960	TASAC sponsorship of Chato East Africa Traditions Festival & Exhibition held at Mazaina Grounds Chato District, Geita, Tanzania on 28 November 2020.
3.	Regional Administrative Secretary - Dar es Salaam	11,500	Donation to Dar es Salaam Regional Administrative Secretary office to facilitate purchasing of cleaning materials and food for 1,500 Police Staff involved on last respect event of the late President of URT Hon. Dr. John Pombe Magufuli as per letter with Ref. No. CFA 282/322/02K/62 of 19 March 2021.
4.	Vote 62 Ministry of Works and Transport	4,000	Contribution to Ministry of Transport to facilitate procurement of sports equipment for Labour Day 2021 Sports event held in Mwanza from 14 April to 01 May 2021.
5.	Dar es Salaam Maritime Institute (DMI)	1,400	Contribution to Dar es salaam Maritime Institute (DMI) for purchasing of sports equipment.
6.	Mwanza Regional Commissioner Office	5,000	Contribution to facilitate May Day (2021) celebrations held in Mwanza.
7.	Kibiti District Council	15,000	Contribution to facilitate purchasing of Building Materials for completion of Nyamatanga Ward Health Centre in Kibiti District Council.
8.	Public Service Management and Good Governance	10,000	Contribution to facilitate Working session of head of departments of Human Resource and Administrative departments held in Dodoma from 21 to 22 June 2021.
9.	Tanzania Asso. of Women Certified Accountants	4,000	TASAC contribution to Tanzania Association of Women Certified Accountants (TAWCA) to support 4 Women Leadership Conference to be held in Zanzibar from 19h to 21 August 2021.
10.	Chapakazi Albino Group	1,840	Contribution to facilitate purchasing of entrepreneurial equipment for the Chapakazi Albino Group.
11.	Computer Centre (Tz) Ltd	5,199	Cost for purchasing Logitech C920 and Canon Powerhot Cameras that were donated to Dar es Salaam Maritime Institute (DMI) to facilitate Seafarers registration.
	TOTAL	65,899	

Source: TASAC

20. EMPLOYEES' WELFARE

(a) Management and Employees' Relationship

A healthy relationship existed during the financial year between Management and employees represented by the Workers Union, COTWU(T), TASAC Branch. There was a harmonious relationship demonstrated during the Workers Council meetings where Management transacted with COTWU (T) leaders and employees representations. Generally, there were no unresolved complaints received from the employees during the year.

(b) Working Environment

Management believes that its employees should find working for the Corporation 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 Corporation. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward.

(c) Opportunities and Fairness

Management is convinced that equal opportunities for all employees, irrespective of ethnicity, race, gender, disability or religion, should be pursued. Management accepts that only through total commitment, loyalty and dedication of its employees will be able to achieve its performance targets.

(d) Post-employment Benefits

Almost all employees of the Corporation are members of PSSSF. The Corporation contributes 15% of basic salary of each employee to the Fund on behalf of all permanent employees and employee contributes 5% of their basic salary. The total contribution made to PSSSF during the year was TZS 1.61 billion (30 June 2020: TZS 1.15 billion).

(e) Medical Services

The Corporation operates insured (health benefit) plan for employees, their spouses and up to a maximum of four dependents. Contribution is paid to the National Health Insurance Fund (NHIF) upon successful registration of the employee to the Fund. The total contributions made by the Corporation to NHIF during the year was TZS 397.07 million (30 June 2020: TZS 215.39 million) being 6% of the employees' basic salary, whereby the contributions are shared equally, the Corporation 3% and the employee 3%.

(f) Training

The Corporation continually develop training programs to ensure employees are adequately trained at all levels. Employees are given opportunity to attend short and long training programs both locally and outside the country to upgrade their skills and enhance career development. During the financial year ended 30 June 2021, the Corporation spent TZS 495.22 million (30 June 2020: TZS 234.28 million) for training fees and allowances and a total of three (3) (30 June 2020: Nil) staff were released to attend long-term training at master degree sponsored by the Corporation.



20. EMPLOYEES' WELFARE (CONTINUED)

(g) Financial Assistance to Employees

The Corporation has implemented inherited Employees Loan Policy for employees transferred from the then SUMATRA to TASAC. The Policy complements the Savings and Credit Co-operative Society (SACCOS) in provision of staff loans. During the year, the draft TASAC Employees Loan Policy was prepared pending its submission to the Board of Directors for consideration.

21. DISABLED PERSONS AND GENDER BALANCE

21.1 Disabled Persons

The Corporation is an equal opportunity employer and as a matter of policy, recruitment processes are transparent and competitive. In case of applications for employment by persons with disabilities will be considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort shall be made to ensure that their employment with the Corporation continues and appropriate training is arranged. It is the policy of the Corporation that training, career development and promotion in case of persons with disabilities should, as far as possible, be identical to that of other employees.

21.2 Gender Balance

The Corporation is an equal opportunity employer and it had 302 (30 June 2020: 246) employees during the year ended 30 June 2021. The increase in number of employees was due to transfer of from other public institutions to TASAC and recruitment of new employees on permits from the President Office, Public Service Management and Good Governance. All recruitments were undertaken by the Public Service Recruitment Secretariat. Out of 302 employees, 210 (30 June 2020: 168) were male and 92 (30 June 2020: 78) were female as shown below: -

Gender	30 June 2021	%	30 June 2020	%
Male	210	69.5	168	68.3
Female	92	30.5	78	31.7
Total	302	100.0	246	100.0

Source: TASAC

The Corporation's recruitment policy is to give equal opportunity to all people on recruitment process to fill vacant employment posts. Thus, the Corporation does not discriminate between male and female applicants to the vacant posts. In this regard, great care is taken when implementing the policy in order to ensure that education/professional qualifications, competencies and key attributes which are the basic criteria for selection and appointment, is not compromised.

22. MAJOR PROCUREMENT CONTRACTS

The Corporation had major procurement contracts with persons and other entities, which were essential to its operations during the financial year ended 30 June 2021. The list of the major procurement contracts of above TZS 50 million is summarized under Table 11 below:

22. MAJOR PROCUREMENT CONTRACTS (CONTINUED)

Table 11: Major Procurement Contracts for the years 2020/21

Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS)
Supply of Transport Equipment (Pick Up Double Cabin, Standard Station Wagon, Mini Bus, Micro Bus, Motor Cycle)	GPSA	Goods	4,222,993
Supply of Office Furniture	M/S Jaffery Ind. Saini Limited	Goods	402,191
Supply of ICT Equipment (Computer & Power Backup Device)	M/s Computer Connection Ltd	Goods	382,639
Supply of Computer Consumables	M/s Laptoccity Limited	Goods	204,643
Provision of Consultancy Service to set up standard operating procedures for Cargo Consolidator and De-consolidator	M/s Borderless Solutions (T) Ltd	Consultancy	161,559
Supply of Promotion materials	M/s Professional Photo Lab Ltd	Goods	128,802
Supply of motor vehicle- Goods carrying vehicle (Light truck)	M/s Puma Logistics Solutions Limited	Goods	102,509
Supply of Staff Uniforms	M/s Pink Diamond Company Ltd	Goods	101,340
Supply of Container seal	M/s Geomic Company Ltd	Goods	95,437
Provision of security service for head office & Regional offices	M/s Suma JKT Guard Limited	Non-Consultancy	92,016
Supply of Personal Protective Gears	M/s Ital Shoe Limited	Goods	88,724
Improvements & Support of Manifest Billing System,	M/s Visibility Company (T) Ltd	Non-Consultancy	77,200
Supply of Office Equipment	M/s Alternative Solutions Ltd	Goods	68,236
Total			6,128,289

Source: TASAC

23. PREJUDICIAL ISSUES

The prejudicial issues at the end of the financial year included ongoing litigation at the temples of justice, disputed tariffs for the clearing and forwarding of minerals which were channelled to the Minister of Works and Transport by customers in compliance with section 59 of the Tanzania Shipping Agencies Act, Cap. 415 and the stakeholder's proposals for review of TASAC exclusive mandate granted under section 7 of the Tanzania Shipping Agencies Act, Cap. 415.

24. STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021. The Corporation's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board (IPSASB).



25. FUTURE PERFORMANCE OF SIGNIFICANT EVENTS AFTER REPORTING DATE

Revenue collection process and target set from clearing and forwarding services of petroleum products (petrol, diesel and kerosene) will significantly be affected following the introduction of a fixed charge of TZS 20 million per ship from October 2021 instead of variable charges per litre (TZS 3 for petrol and diesel; and TZS 2 for kerosene) used to be charged to oil marketing companies (OMCs) upon submission of their shipping documents. The arrangements were underway. However, it is likely that budgeted revenue for the financial year 2021/22 will be under-collected by 7.71%. This will impact implementation of plan and budget for the financial year 2021/22. Nevertheless, the Corporation shall continue to closely monitor its current sources of revenue and enforce revenue collection from the approved sources to sustain implementation of its approved plan for the financial year 2021/22. There were no other significant events which might have impacts on future performance of the Corporation.

26. APPROVAL

This Report was approved and authorized for issue by the Board of Directors during its 11th Extra-Ordinary Meeting held on 28 December 2021 and signed on its behalf by:

Capt. Mussa H. Mandia,
Board Chairman

Signature:  _____

Date: 24th March, 2022

Ms. Rukia D. Shamte,
**Audit and Risk
Committee Chairman**

Signature:  _____

Date: 24th March, 2022

27. STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2021

Pursuant to Section 39(1) of the Tanzania Shipping Agencies Act, Cap. 415, the Corporation is required to keep proper books of account and maintain proper records of its operations. Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements. Those Charged with Governance understand that the Corporation's system of internal control is effective to provide reasonable, but not absolute, assurance that the transactions recorded in the books of account, which were used to prepare these financial statements, are free from material misstatement.

Those Charged with Governance further accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), The Public Finance Act, No. 6 of 2001 (Revised 2004), NBAA's Pronouncements and in the manner required by the Tanzania Shipping Agencies Act, Cap 415. In addition, Those Charged with Governance are of the opinion that the financial statements give a true and fair view of the Corporation's state of the financial affairs and of its operating results for the year ended 30 June 2021.

Nothing has come to the attention of Those Charged with Governance to indicate that the Government of the United Republic of Tanzania shall wind up the operations of the Corporation, thus, not to remain a going concern for at least the next twelve months from the date of this statement.

This Statement was approved and authorized for issue by the Board of Directors during its 11th Extra-Ordinary Meeting held on 28 December 2021 and signed on its behalf by:

Capt. Mussa H. Mandia, Board Chairman

Signature: 

Date: 24th March, 2022

Ms. Rukia D. Shamte, Audit and Risk
Committee Chairman

Signature: 

Date: 24th March, 2022



28. DECLARATION OF THE HEAD OF FINANCE

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

It is the duty of a Professional Accountant to assist the Board of Directors/Management to discharge the responsibility of preparing financial statements of the Corporation showing true and fair view of the Corporation's 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 under the Statement of Responsibility by Those Charged with Governance on the above page.

I, CPA Habibu J. S. Suluo, being the Director of Finance and Accounts - TASAC, hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 30 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 TASAC as on that date and that they have been prepared based on properly maintained financial records.

Signed by CPA Habibu J. S. Suluo _____

A handwritten signature in blue ink, appearing to read 'Habibu J. S. Suluo', is written over a horizontal line. The signature is stylized and cursive.

Position: Director of Finance and Accounts

NBAA Membership No.: FCPA 1516

Date: 24th March, 2022

29. INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board,
Tanzania Shipping Agencies Corporation,
P.O. Box 989,
Dar es Salaam.

29.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of Tanzania Shipping Agencies Corporation (TASAC), which comprise the statement of financial position as at 30 June 2021, 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 Tanzania Shipping Agencies Corporation (TASAC) as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting.

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 below section entitled “Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements”. I am independent of Tanzania Shipping Agencies Corporation in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Report by Those Charged with Governance 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.



29. INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL (CONTINUED)

29.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Other Information (Continued)

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.

29. INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL (CONTINUED)

29.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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 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, 2011 (as amended in 2016) 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.

29. INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL (CONTINUED)

29.2 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 Shipping Agencies Corporation for the financial year 2020/21 as per the Public Procurement Laws.

Conclusion

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

A handwritten signature in green ink, which appears to read 'Charles E. Kichere', is positioned to the left of the official stamp.

Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2022





STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	<u>Notes</u>	2020/21 TZS '000	2019/20 TZS '000
ASSETS			
Current assets			
Cash and cash equivalents	22	17,241,637	21,989,005
Receivables and prepayments	23	58,166,199	38,198,249
Tax Receivable	21	1,099,250	-
Inventories	24	224,961	167,897
		76,732,047	60,355,151
Non-current assets			
Property and equipment	30	7,834,556	6,305,114
Capital WIP - Office Building	30	6,106,168	6,106,168
Intangible assets	31	1,089,889	1,109,754
Capital WIP - Shipping Business Management System	31	760,690	416,182
		15,791,303	13,937,218
TOTAL ASSETS		92,523,350	74,292,369
LIABILITIES			
Current liabilities			
Payables and accrued expenses	25	7,583,211	4,848,530
Provisions	26	2,043,728	41,151
Corporation Tax payable	21	-	263,020
		9,626,939	5,152,701
Non-current liabilities			
Employee benefits payable	27	54,863	33,250
Deferred tax liability	21	304,592	148,167
		359,455	181,417
TOTAL LIABILITIES		9,986,394	5,334,117
NET ASSETS		82,536,956	68,958,252
NET ASSETS			
Capital Fund	28	24,264,567	24,264,567
Accumulated Surplus		58,272,389	44,693,685
TOTAL NET ASSETS		82,536,956	68,958,252

These financial statements were approved and authorized for issue by the Board of Directors during its 11th Extra-Ordinary Meeting held on 28 December 2021 and signed on its behalf by:

Capt. Mussa H. Mandia
Board Chairman

Signature: 

Date: 24th March, 2022

Ms. Rukia D. Shamte, Audit and Risk
Committee Chairman

Signature: 

Date: 24th March, 2022



30. STATEMENT OF FINANCIAL PERFORMANCE

		2020/21	2019/20
	<u>Notes</u>	TZS '000	TZS '000
Revenue			
Revenue from non-exchange transactions:			
Service Providers Levy	8	17,088,007	17,272,277
Fees, Licenses & Penalties	9	37,931,275	34,970,194
Other Income	10	135,577	727,583
Gain/(loss) on foreign currency translation	11	24,020	(292,323)
		55,178,879	52,677,731
Revenue from exchange transactions:			
Shipping Business Services revenue	12	29,326,795	18,194,407
		84,505,674	70,872,138
Expenses			
Wages, salaries and employee benefits	13	20,474,483	14,382,944
Directors Fees & Other Board Expenses	14	252,859	815,091
Travelling, Training and Other Facilitation Expenses	15	9,196,049	5,790,953
Services, Supplies and consumable Expenses	16	5,326,310	3,653,842
Repairs and Maintenance expenses	17	952,294	530,376
Contribution to Government Consolidated Fund	18	31,825,851	20,112,833
Contribution and Subscription to Other Bodies	19	1,092,822	1,171,411
Bank Charges	20	49,186	48,505
Corporation Tax	21	310,990	806,566
Depreciation of property and equipment	30	1,316,879	727,235
Impairment of property and equipment	30	7,596	62,129
Amortization of intangible assets	31	121,651	36,165
		70,926,970	48,138,050
Surplus during the year		13,578,704	22,734,088



STATEMENT OF CHANGES IN NET ASSETS

	Notes	Capital Fund TZS '000	Accumulated Surplus TZS '000	Total TZS '000
At 01 July 2020	28	24,264,567	44,693,685	68,958,252
Surplus for the year		-	13,578,704	13,578,704
At 30 June 2021		24,264,567	58,272,389	82,536,956
At 01 July 2019		22,087,401	21,959,597	44,046,998
Capital Fund		2,177,166	-	2,177,166
Surplus for the year		-	22,734,088	22,734,088
At 30 June 2020		24,264,567	44,693,685	68,958,252



CASH FLOW STATEMENT

	<u>Note</u>	2020/21 TZS '000	2019/20 TZS '000
Cash flows from operating activities:			
<i>Receipts:</i>			
Service Providers Levy	8	9,059,985	3,831,914
Fees, Licenses and Penalties	9	31,732,584	38,543,639
Other income	10	400	727,583
Shipping Business Services revenue	12	28,378,976	18,097,344
Total Receipts		69,171,945	61,200,480
<i>Payments:</i>			
Wages, salaries and employee benefits	13	(20,294,136)	(14,507,249)
Directors Fees & Other Board Expenses	14	(252,859)	(815,091)
Travelling, Training and Other Facilitation Expenses	15	(9,130,711)	(5,639,306)
Services, Supplies and consumable Expenses	16	(3,409,472)	(3,118,343)
Repairs and Maintenance expenses	17	(952,294)	(615,845)
Contribution to the Consolidated Fund	18	(31,063,000)	(20,112,833)
Contribution and Subscription to Other Bodies	19	(969,301)	(1,220,557)
Bank Charges	20	(49,186)	(48,505)
Corporation Tax	21	(1,516,835)	(395,379)
Payment made for MLVMCTP	23	(11,298)	(39,560)
Total Payments		67,649,092	(46,512,668)
Net cash flows from operating activities		1,522,853	14,687,812
Cash flows from investing activities:			
Acquisition of property and equipment	33	(5,761,887)	(4,545,902)
Acquisition of intangibles	33	(530,374)	(1,100,528)
Net cash flows from investing activities		(6,292,261)	(5,646,430)
Cash flows from financing activities:			
Net Receipt from LATRA	23	-	6,427,276
Net cash flows from financing activities		-	6,427,276
Net increase in cash and cash equivalents		(4,769,408)	15,468,658
Net foreign exchange difference	11	22,040	(598,209)
Cash and cash equivalents at beginning of period		21,989,005	7,118,556
Cash and cash equivalents at end of period	22	17,241,637	21,989,005

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original Budget {A} TZS '000	Adjustments {B} TZS '000	Final Budget {A+B} TZS '000	Actual Amount on Com- parable Basis {C} TZS '000	Difference: Final Budget Vs Actual TZS '000
REVENUE:					
Revenue from Non-exchange transactions					
Service Providers Levy	17,232,468	(491,725)	16,740,743	17,088,007	347,264
Fees, licenses and penalties	37,779,716	(428,294)	37,351,422	37,931,275	579,853
Other Income	60,000	(60,000)	-	135,577	135,577
Gain/(loss) on foreign currency translation	250,000	(200,000)	50,000	24,020	(25,980)
	55,322,184	(1,180,019)	54,142,165	55,178,879	1,036,714
Revenue from exchange transactions					
Revenue from Shipping Business Services	30,633,734	(2,889,997)	27,743,737	29,326,795	1,583,058
Total	85,955,918	(4,070,016)	81,885,902	84,505,674	2,619,772
EXPENSES:					
Wages, salaries and employee benefits	22,980,871	2,079,543	25,060,414	20,474,483	4,585,931
Directors Fees & Board Members Expenses	474,640	(237,160)	237,480	110,530	126,950
Board Secretariat, Management & Supporting Expenses	525,360	(162,840)	362,520	142,329	220,191
Travelling and Other Facilitation Expenses	17,215,679	(2,590,207)	14,625,472	9,196,049	5,429,423
Services, Supplies and consumable Expenses	9,755,577	(979,432)	8,776,145	5,326,310	3,449,835
Repair and Maintenance expenses	1,885,010	(133,067)	1,751,943	952,294	799,649
Contribution to Govt Consolidated Fund (15% of Gross Revenue)	12,893,388	-	12,893,388	12,675,851	217,537
Contribution to Govt Consolidated Fund (70% of Surplus)	-	-	-	19,150,000	(19,150,000)
Contribution to Other Bodies	1,054,084	(25,000)	1,029,084	1,092,822	(63,738)
Bank Charges	18,000	-	18,000	49,186	(31,186)
Corporation Tax	-	2,048,162	2,048,162	310,990	1,772,172
Depreciation of property and equipment	-	-	-	1,316,879	(1,316,879)
Impairment of property and equipment	-	-	-	7,596	(7,596)
Amortization of intangible assets	-	-	-	121,651	(121,651)
Total	66,802,609	0	66,802,609	70,926,970	(4,124,361)
Surplus/(deficit) during the year	19,153,309	(4,070,016)	15,083,292	13,578,705	(1,504,588)

Explanations of variances between the budget and actual amounts are provided under Note 38 of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND PRINCIPAL ACTIVITIES

i) Establishment of the Corporation

The Tanzania Shipping Agencies Corporation (TASAC) is a public entity established under Section 4 of the Tanzania Shipping Agencies Act, Cap. 415. TASAC became operational on 23 February 2018 following a Government Notice No. 53 published on 16 February 2018.

TASAC is a body corporate with perpetual succession and common seal, as such it can sue or be sued, acquiring, holding and investing in movable and immovable properties, borrowing and lending and entering into any lawful contract or other transaction.

The Head Office address of the Corporation during the year was:

PSSSF Tower Building, 7 & 8 Floors,
Garden Avenue/Ohio Street,
P. O. Box 989,
Dar es Salaam, Tanzania.

ii) Principal Activities of the Corporation

The Corporation sectoral scope covers maritime administration and regulation of ports, shipping services, safety and security maritime environment, and took-over maritime regulatory functions from SUMATRA.

In addition, the Corporation is exclusively mandated under the Tanzania Shipping Agencies Act, Cap. 415 (as amended) to carry out functions of shipping agency and clearing and forwarding relating to import and export of minerals, mineral concentrates, machineries, equipment, products or extracts related to minerals and petroleum, firearms, Government trophies or fertilizers, industrial sugar, domestic sugar, edible cooking oil, wheat, oil product, gas, liquefied gas and chemicals or any liquid related products or any other goods as the Minister may prescribe by order. Also, it is mandated to carry out document control of shipping agency and ship tallying. The principal activities of the Corporation are disclosed in the Directors' Report.

2. AUTHORISATION OF FINANCIAL STATEMENTS

The Corporation's financial statements for the year ended 30 June 2021 were adopted and authorized for issue by the Board of Directors during its 28th Extra-Ordinary Meeting held on 28 December 2021 at TASAC Head Office, Dar es Salaam.

3. STATEMENT OF COMPLIANCE

The Corporation's financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB). The Director's Report has been prepared in line with the requirements of the Tanzania Financial Reporting Standard (TFRS) No. 1 as issued by the National Board of Accountants and Auditors (NBAA).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

TASAC financial statements are prepared and presented in compliance with accrual basis IPSASs. The significant accounting policies outlined below have been consistently applied throughout the year.

4.1 BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis, except for buildings that have been measured at fair value. The cash flows statement is prepared using the direct method. The financial statements are prepared on an accrual basis.

4.2 REPORTING PERIOD

The reporting period for these financial statements is the financial year of the Corporation which runs from 1 July 2020 to 30 June 2021.

4.3 NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE CORPORATION

There are two (2) new Standards issued by the International Public Sector Accounting Standards Board (IPSASB) but were not yet effective up to the date of issuance of the Corporation's financial statements. The new Standards are:

- a) **IPSAS 41 – Financial Instruments**, which is effective on or after 1 January 2023 due to COVID 19. This Standard replaces IPSAS 29 and it sets out requirements for recognition and measurement of financial instruments, including impairment, de-recognition and general hedge accounting; and
- b) **IPSAS 42 – Social Benefits**, which is effective on or after 1 January 2023. This Standard will help users of the financial statements to assess the nature of social benefits provided by the Corporation, the features of the operation of social benefit schemes and the impact of social benefits on the Corporation's financial performance, financial position and cash flows.

In addition, there is a new National Standard; TFRS No. 1 – The Report by Those Charged with Governance, issued by the NBAA Governing Board during its 182 meeting held on 22 June 2020, and become operative for financial statements covering accounting periods beginning on or after 1 January 2021. This standard replaces TFRS 1 on The Directors' Report which was issued by the Board effective 1 January 2010. The standards allowed early adoption, but the Corporation did not plan to go for early adoption. The Corporation is evaluating the impact of these Standards on its financial statements and will adopt them in the preparation and presentation of its future financial statements, where applicable.

4.4 THE OTHER APPLIED ACCOUNTING POLICIES

4.4.1 FOREIGN CURRENCY TRANSACTIONS

Functional and Presentation Currency

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the Corporation operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS'000), which is the Corporation's functional and presentation currency.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Transactions and Balances

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

4.4.2 REVENUE RECOGNITION

Revenue from exchange transactions

Exchange transactions are transactions in which the Corporation receives assets or services, or has liabilities extinguished, and directly gives approximately equal value primarily in the form of cash, goods, services, or use of its assets to another entity in exchange.

Rendering of services

The Corporation recognizes revenue from rendering of services under shipping business directorate which are Clearing and Forwarding services, Shipp tallying services, Shipping Agency services and Document control services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The Corporation recognizes revenue from Clearing and forwarding services immediately after cargo clearance has been completed. The Corporation also recognizes revenue from Shipp tallying services immediately after cargo has been tallied. Revenue from Shipping Agency services is recognized when ship has completed its operation and obtained clearance. Revenue from supplementary services provided to the ship crew is recognized when service provided to the crew has been completed and crew have left the country

Revenue from non-exchange transactions

(i) Fees and fines

The Corporation recognizes revenues from fees, and fines when the event occurs, and the asset recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

(ii) Transfers from other government entities

Revenue from non-exchange transactions with other government entities is measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property), if the transfer is free from conditions, and it is probable that the economic benefits or service potential related to the asset will flow to the group and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, a grant liability is recognized instead of revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4.2 REVENUE RECOGNITION(CONTINUED)

(iii) Other transfers

Other transfers include penalties, licenses, gifts and donations (including goods-in-kind). These are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably.

(iv) Service Providers Levy

Service Providers Levy are recognized when the asset recognition criteria are met.

4.4.3 PROPERTY AND EQUIPMENT

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the items.

Items of property and equipment shall be recognized as assets if, and only if, it is probable that the future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably.

Repairs and maintenance are recognized in the Statement of Financial Performance during the financial period in which they are incurred.

The Corporation de-recognizes items of property and equipment upon disposal or when no future economic benefits or service potential is expected from its continuing use.

The gain or loss arising on derecognition of an item of property and equipment is included in the Statement of Financial Performance, unless where IPSASs requires otherwise on a sale and leaseback.

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

Depreciation

Land is not depreciated; however, one of the fundamental principles of the Land Policy that has been incorporated in the 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 or a real property.

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

Description of Asset Category	Useful Life (Years)
Buildings	30
Generators and Machinery	8
Motor Vehicles / Cycles	8
Office Equipment	8
Furniture & Fittings	8
Computers & Accessories	5



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The assets' residual values, useful lives and depreciation method are reviewed at the end of each reporting period and adjusted prospectively, where appropriate. In addition, the Corporation stops charging depreciation on an asset when carrying amount equals its residual value.

4.4.4. INTANGIBLE ASSETS

Recognition

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.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

Amortization

The intangible asset with a finite life is amortized over its useful life as follows:

Description of Intangible Asset Category	Useful Life (Years)
Application software	10

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 the Statement of Financial Performance as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Financial Performance when the asset is de-recognized.

4.4.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recovered.

An impairment loss is recognized when the carrying amount of the assets exceeds its recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use. In assessing value in use, the Corporation has adopted the restoration cost approach as it has determined this to be appropriate because of the nature of the assets. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment.

In determining fair value less costs to sell, the price of the assets in a binding arrangement in an arm's-length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the group determines fair value less cost to sell on the basis of the best available information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Impairment losses are recognized in the Statement of Financial Performance in the period in which they are incurred.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Corporation estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

4.4.6 LEASES

(i) The Corporation 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 Corporation. Operating lease payments are recognized as an operating expense in the statement of financial performance on a straight-line basis over the lease term.

(ii) The Corporation as a Lessor

Leases in which the Corporation does not transfer substantially 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.

4.4.7 FINANCIAL INSTRUMENTS

Financial assets

Initial recognition and measurement Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The group determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the group commits to purchase or sell the asset. The Corporation's financial assets include cash and; trade and other receivables; .

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4.7 FINANCIAL INSTRUMENTS (CONTINUED)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Derecognition

The group derecognizes a financial asset, or, where applicable, a part of a financial asset or part of a group of similar financial assets, when:

- (i) The rights to receive cash flows from the asset have expired or is waived.
- (ii) The corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:
 - o the Corporation has transferred substantially all the risks and rewards of the asset, or
 - o the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

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

Evidence of impairment may include the following indicators:

- (i) Debtors or a group of debtors are experiencing significant financial difficulty.
- (ii) Default or delinquency in interest or principal payments.
- (iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- (iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults).

Financial liabilities

Initial recognition and measurement Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Corporation's financial liabilities include trade and other payables and provisions

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4.7 FINANCIAL INSTRUMENTS (CONTINUED)

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

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

Offsetting of financial instruments Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.4.8 CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three (3) months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of Statement of Cash flows, cash is comprised of cash on hand and deposits held at call with banks. Cash equivalents are short term deposits with original maturities of three (3) months or less.

4.4.9 INVENTORIES

Inventories consist of stationery and other consumables. They are measured at cost upon initial recognition. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories are at their fair value at the date of acquisition.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Corporation.

4.4.10 PROVISIONS

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

Where the Corporation expects some or all of a provision to be reimbursed, 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4.11 CREATION OF GENERAL RESERVE AND OTHER RESERVES

Application of revenue of the Corporation, according to Section 36(2) of the Act, Cap 415, includes setting aside the balance of the revenue of the Corporation to the creation of General Reserve and such Other Reserves as the Corporation may deem fit. Without prejudice to other laws and the Government directives on remission of 70% of surplus funds to the Government Consolidated Fund and redemption of excess capital, a provision of 30% of net annual surplus funds from the statement of financial performance shall be transferred to the General Reserve via the statement of changes in net assets.

4.4.12 TRADE RECEIVABLES

Trade receivables are recognized initially at fair value and subsequently measured at value less provision for bad and doubtful debts. Trade receivables from Shipping Business are recognised on issuance of tax invoices at an amount net of Value Added Tax (VAT) and shall be receivable within 30 days.

Settlement of receivables beyond 30 days shall be subjected to penalty as per sector legislations and/or tariffs. Specific provision shall be made in the financial statements against trade receivables considered to be doubtful of recovery.

4.4.13 EMPLOYEE BENEFITS

(i) Short-Term Employees Benefits

The cost of all short-term employee benefits, such as leave pay, is recognized during the period in which the employee renders the related service. The Corporation recognizes the expected cost of employee rewards only when the Corporation has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

(ii) Defined Contribution Plans

The Corporation provides retirement benefits to its employees. Defined contribution plans are post-employment benefit plans under which the Corporation pays fixed contributions for each staff to PSSSF, and it will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Corporation's contributions to the defined contribution scheme (PSSSF) are charged to the statement of financial performance in the year to which they relate.

(iii) Other Long - Term Employment Benefits

Gratuity – This is paid to contract staff at 25% of the employees' basic salary at the end of their contract period. The current establishment has only Director General on this arrangement whose employment contract is of a maximum of five years, renewable once. The Corporation provides for the expected liability on straight line basis over the contract period. However, where the appointed Director General is under pensions scheme arrangement, the Corporation shall continue with remittance of monthly contribution to the defined contribution scheme, but not both pension and gratuity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4.14 ACCOUNTS PAYABLE

Accounts payable are 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 using the effective interest method.

4.4.15 RELATED PARTIES

The Corporation 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 Corporation, or vice versa. Members of key management are regarded as related parties and comprise the Board Members and Senior Management employees. Related party transactions are disclosed under Note 37.

4.4.16 BUDGET INFORMATION

The Corporation prepares its budget on an accrual basis. As such, the budget and the financial statements are already on the same basis and further adjustments are not required to align the financial statements to the budget. The Corporation has the option to present this comparison either as a separate additional financial statement or as additional budget columns in the financial statements as required by IPSAS. The Corporation has therefore chosen to present the comparison separately in the statement of comparison of budget and actual amounts. In addition, explanations for material differences are provided under Note 38 to these financial statements. The reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on specific line items.

4.4.17 CAPITAL WORK IN PROGRESS

Capital Work in Progress (WIP), which is an asset category of property and equipment, is stated at cost and not depreciated. Recognition amount of Capital WIP is shown under property and equipment. Depreciation of WIP commences when the assets are ready for their intended use. The balance of unrecognized amount of the WIP compared to the contracted full price is disclosed as Capital Commitment.

4.4.18 TAXATION

(a) Income tax

The Corporation applies IAS 12 on Income Taxes to account for Corporation Tax payable to TRA for Shipping Business Income. This is from the fact that IPSAS does not require the presentation of an income tax in the Financial Statements. Naturally, many entities in the public sector are exempt from income tax. The use of IAS 12 for the formulation of the Corporation accounting policy is required by IPSAS 19.14, which is stated in relation to the hierarchy for the selection of accounting policies provided in IPSAS 3.12,13-15. This guidance stipulates that in the absence of an IPSAS that specifically applies to a transaction, other event or condition and other financial reporting frameworks, such as IFRS, may be applied in selecting the accounting policy for that specific transaction, event or circumstance.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4.18 TAXATION (CONTINUED)

(a) Income Tax (Continued)

Thus, the taxable shipping business income is calculated in accordance with the provisions of Income Tax Act, 2004. Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the shipping business net profit or loss for the period. Taxes on shipping business income are considered to be an expense incurred by the Corporation in earning income and are accrued in the same period as the revenue and expenses to which they relate.

(b) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4.19 COMPARATIVE FIGURES

Figures for the previous financial statements have been regrouped or reclassified where necessary to conform to changes in order to make them comparable with the figures of the current financial year.

5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Corporation's financial statements in conformity with IPSAS 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 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 asset or liability affected in future periods.

(i) Judgments

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

Estimates 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 Assumptions

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 Corporation based its assumptions and estimates on parameters available when the 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 Corporation. Such changes are reflected in the assumptions when they occur. Thus, the key assumptions are:

(iii) Useful Lives and Residual Values

Critical estimates are made by the management in determining depreciation rates for equipment and their residual values. The rates used were derived from the minimum year of useful lives as set out in the accounting policies section of these financial statements under Note 4.4.3 – 4.4.4. 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 valuers) engaged by the Corporation;
- (b) The nature of the asset, 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 asset; and
- (e) Changes in the market in relation to the asset.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(iv) Impairment of financial assets

Estimates are required to be made of what would be the impact of a loss event that has occurred after the initial recognition of a financial asset and which would affect the estimated future cash flows. The Corporation assessed, at the reporting date, whether a financial asset or group of financial assets have been impaired. Only if there is objective evidence of impairment or a loss event, then the financial asset is deemed to be impaired. Refer to Note 23 of the Financial Statements on the information of impairment.

(v) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(vi) Fair value of financial instruments

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

6. GOING CONCERN

The Corporation's Management has assessed the Corporation's ability to continue as a going concern and is satisfied that the Corporation has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Corporation's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

7. FINANCIAL RISK MANAGEMENT

(a) Financial Risk

The Corporation's activities are potentially exposed to a variety of financial risks, including credit risk and the effects of the changes in foreign currency exchange rates. The Corporation's overall risk management programme takes account of the unpredictability of foreign exchange rate trends and seeks to minimize potential adverse effects on its financial performance.

(b) Market Risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the Corporation's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk. This risk includes the following:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Foreign exchange risk

The Corporation has some exposure to foreign currency exchange risk as some of the receivables from regulated service providers, shipping business customers and monetary items balances are in US\$, while significant operating expenditure are in TZS. Receivables held at 30 June 2021 was US\$ 7.37 million and monetary balances were US\$ 6.34 million which are stated in the financial statements at exchange rate of TZS 2,287.50/US\$1 as per the Bank of Tanzania exchange rates. If Tanzania Shillings strengthened or weakened by 5% the reported gain or loss on foreign exchange would be higher or lower by TZS 1,568.09 million (30 June 2020: TZS 1,353.4 million) for monetary balances and TZS 842.74 million (30 June 2020: TZS 452.02 million) for receivables as shown below:

Description	Change (Strengthen/ Weaken)	2020/21	2019/20
		TZS'000	TZS'000
Effect on Monetary Items	5% Appreciation	1,568,092	1,353,434
	5% Depreciation	1,568,092	1,353,434
Effect on Receivables	5% Appreciation	842,743	452,024
	5% Depreciation	842,743	452,024

However, this exposure does not result in a significant risk as foreign currency assets and liabilities as are normally settled within a fairly short time.

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation does not have long-term deposits or borrowings; thus, statement of financial performance is not highly affected by changes in market interest rates.

(c) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. However, the Corporation does not regard there to be any significant concentration of credit risk, thus, it mitigates the credit risk by maintaining cash and cash equivalents with preferred financial institutions; and recovering staff salary advance in terms of the applicable regulations directly from the employee's salary and/or pension.

The Corporation's maximum exposure to Credit Risk as at 30 June 2021 is as shown below:

	2020/21	2019/20
	TZS'000	TZS'000
Financial Assets:		
Cash and Cash Equivalents	17,241,636	21,989,005
Receivables	53,509,646	36,441,755
Total Financial Assets	70,751,282	58,430,760

The age analysis of the Corporation's receivables with consideration of allowances for impairment is provided below and analysis with impairment allowance is provided under Note 23 of these financial statements:



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Receivables as 30 June 2021

Receivables	Up to 1 month TZS'000	1 to 3 months TZS'000	3 to 12 months TZS'000	Over 12 months TZS'000	Total TZS'000
Receivables from Exchange Transactions:					
Clearing & forwarding	1,130,672	383,254	1,501,596	1,234,777	4,250,299
Ship Tallying	894,670	150,053	282,318	50,612	1,377,654
Shipping Agency	677,248	74,745	417,769	-	1,169,762
Document Control	54,583	41,073	31,537	5,749	132,942
Sub - Total	2,757,172	649,126	2,233,220	1,291,138	6,930,657
Receivable from Non- Exchange Transactions:					
Service Provider Levy (TPA)	8,526,056	-	-	21,882,592	30,408,647
Service Provider Levy (Others)	1,316,376	38,670	19,214	533,862	1,908,122
Shipping Services fees	8,897,243	2,305,257	2,133,738	178,897	13,515,136
Sub - Total	18,739,675	2,343,927	2,152,952	22,595,351	45,831,905
Other Receivables:					
Receivables from LATRA	-	-	-	678,218	678,218
Receivables from MLVMCT Project	-	-	11,298	57,568	68,866
Sub - Total	-	-	11,298	735,787	747,085
Grand Total	21,496,847	2,993,053	4,397,470	24,622,276	53,509,646
LESS: Allowances for impairment of receivables	-	-	-	(652,226)	(652,226)
Net Total Receivables	21,496,847	2,993,053	4,397,470	23,970,050	52,857,420

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

Receivables	Up to 1 month TZS'000	1 to 3 months TZS'000	3 to 12 months TZS'000	Over 12 months TZS'000	Total TZS'000
Receivables from Exchange Transactions:					
Clearing & forwarding	497,176	1,159,632	393,092	1,260,616	3,310,516
Ship Tallying	449,754	245,000			694,759
Document Control	53,850	42,310			96,160
Sub - Total	1,000,780	1,446,942	393,092	1,260,616	4,101,435
Receivable from Non-Exchange Transactions:					
Service Provider Levy (TPA)	0	2,882,267	8,646,802	10,345,945	21,875,015
Service Provider Levy (Others)	15,449	10,230		502,440	528,119
Shipping Services fees	3,280,006	1,848,051	3,751,758	321,584	9,201,399
Sub - Total	3,295,455	4,740,5498	12,398,560	11,169,969	31,604,533
Other Receivables:					
Receivables from LATRA	-	-	-	678,218	678,218
Receivables from MLVMCT Project	-	-	39,559	18,009	57,568
Sub - Total	-	-	39,559	696,227	735,786
Grand Total	4,296,235	6,187,490	12,831,211	13,126,812	36,441,755
LESS: Allowances for impairment of receivables	-	-	-	(652,226)	(652,226)
Net Total Receivables	4,296,240	6,187,491	12,831,211	12,474,585	35,789,528

No collateral is held for any of the above assets and no receivables have had their terms re-negotiated.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Summarised aged analysis of the above Receivables as at 30 June 2020 is as shown below:

	2020/21	2019/20
	TZS '000	TZS '000
==>Neither past due nor impaired 1- 30 days	21,496,847	4,296,240
==>Past due but not impaired		
Not impaired & overdue 30 - 90 days	7,390,523	19,018,703
Not impaired & overdue above 90 days	23,970,050	12,474,585
	52,857,420	35,789,528

Moreover, management has still considered debtors of TZS 652.22 million from various Service providers that was inherited from SUMATRA as impaired receivables. The large part of this impaired receivables is unpaid Service Provider Levy from Marine Service Co. Ltd amounting to TZS 481.58 million which the bearer has failed to pay due to financial problems. The rest were fees from various Regulated Service Providers that are still not collected as the business had permanently shut down in previous years. Management decision is still prevailing due to the low chances of the above debtors to be collected.

(d) Liquidity Risk

Liquidity risk is the risk of the Corporation not being able to meet its obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation manages its liquidity risk to ensure it is able to meet estimated expenditure requirements based on approved budget and through the use of cash flow forecasts. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents. Furthermore, the Corporation strive to ensure that receivables are settled within 30 days after the due date, and payables are settled within 30 days of invoice. The analyses of the Corporation's financial assets and financial liabilities into relevant maturity groups are shown below:

Financial Assets/ Financial Liabilities	1 - 3 Months	4 - 12 Months	More than 12 Months	Total
	TZS '000	TZS '000	TZS '000	TZS '000
30 June 2021:				
Financial Assets:				
Receivables	21,496,847	7,390,523	24,622,276	53,509,646
Cash & Cash equivalent	17,241,635	-	-	17,241,635
Total Financial Asset	38,738,482	7,390,523	24,622,276	70,751,281
Financial Liabilities:				
Payables	7,583,211	-	-	7,583,211
Total Liability	7,583,211	-	-	7,583,211
Liquidity Gap	31,155,271	7,390,523	24,622,276	63,168,070
30 June 2020:				
Financial Assets:				
Receivable	18,056,848	2,872,318	15,512,589	36,441,755
Cash & Cash equivalent	21,989,005	-	-	21,989,005
Total Financial Asset	40,045,853	2,872,318	15,512,589	58,430,760
Financial Liabilities:				
Payables	4,848,530	-	-	4,848,530
Total Financial Liability	4,848,530	-	-	4,848,530
Liquidity Gap	35,197,323	2,872,318	15,512,589	53,582,230



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020/21 TZS '000	2019/20 TZS '000
8. SERVICE PROVIDERS LEVY	TZS '000	TZS '000
Levy-Port Operator - (TPA)	11,654,097	11,521,492
Levy-Port Terminal Operators	2,969,884	2,879,061
Levy-Maritime Transport Services	129,362	112,999
Levy-Shipping Agency Services	555,254	651,654
Levy-Cargo Consolidators & De-consolidators	94,151	60,238
Levy- Miscellaneous Port Services	176,191	167,116
Levy- Gross Mass Verifiers	-	324
Levy-Dry Port Services- ICD	899,821	1,280,568
Levy-Dry Port Services – ECD	221,394	416,960
Levy-Dry Port Services – CFS	387,853	181,865
	17,088,007	17,272,277
Analysis of Cash collected		
Opening Receivable	24,288,748	10,848,385
Revenue for the year	17,088,006	17,272,277
Closing Receivable	(32,316,769)	(24,288,748)
Cash amount received	9,059,985	3,831,914
9. FEES, LICENSES AND PENALTIES		
Import fees	33,418,394	31,461,481
Export fees	2,566,442	1,709,384
Regulatory Shipping License/Registration fees	678,051	887,525
Ships/Boats Survey, Registration & Licensing	466,551	407,837
Seafarers Services	105,776	82,589
Commission on Disbursement	17,531	6,834
Penalties	678,530	414,544
	37,931,275	34,970,194
Analysis of Cash collected		
Opening Receivable	7,315,786	10,693,229
Revenue for the year	37,931,275	34,970,194
Adjustment for unrealized exchange difference	1,309	196,002
Closing Receivable	(13,515,786)	(7,315,786)
Cash amount received	31,732,584	38,543,639



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020/21 TZS '000	2019/20 TZS '000
10. OTHER INCOME		
<p>Other income for the year ended 30th June 2021 was TZS 135.58 million (30th June 2020: TZS 727.58 million), consisting of recognized miscellaneous income of TZS 135.18 during the year under review. The miscellaneous income of TZS 135.18 consists of TZS 119.76 million recognized as consumed inventory initially contained in the opening inventory from SUMATRA and credited to liability. As the inventory has been utilised, there was no more liability but the amount was recognized as income. The summary of other income is provided below:</p>		
Sale of Tender Documents	400	800
Miscellaneous Income	135,177	726,783
	135,577	727,583
Analysis of Cash collected		
Cash from Tender Documents and Misc. Income	400	727,583
	400	727,583
11. GAIN/(LOSS) ON FOREIGN CURRENCY TRANSLATION		
Exchange gain	55,314	485,791
Exchange loss	(31,294)	(778,114)
	24,020	(292,323)
Analysis of Exchange Gain/(Loss)		
Realized exchange gain	1,980	305,886
Unrealized exchange gain/(loss)	22,040	(598,209)
Total Gain/(Loss)	24,020	(292,323)
12. SHIPPING BUSINESS SERVICES REVENUE		
Shipping Agency revenue	5,734,504	1,161,647
Shipping Tallying revenue	6,975,428	2,230,144
Clearing & Forwarding Agency revenue	15,578,459	14,404,146
Shipping Document Control revenue	1,038,404	398,470
	29,326,795	18,194,407

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020/21 TZS '000	2019/20 TZS '000
Analysis of Cash collected		
Opening Receivables	4,101,435	371,107
Customers Deposits b/f	(3,523,381)	-
Revenue for the year	29,326,795	18,194,407
Customers Deposits c/f	5,403,462	3,523,381
Adjustment for realized foreign exchange difference	671	109,884
Closing Receivable	(6,930,006)	(4,101,435)
Cash amount collected	28,378,976	18,097,344

13. WAGES, SALARIES AND EMPLOYEE BENEFITS

Wages, salaries and benefits during the year ended 30th June 2021 was recognized at TZS 20.47 billion (30th June 2020: 14.38 billion). There major reason for this change is an increase in number of staff during the financial year to 302 employees (30th June 2020: 246 employees). In addition, as a result of staff performance appraisals for the financial year 2019/20, basic salaries of some non-Management staff were adjusted. These resulted into increase in basic salaries for pensionable posts during the year to TZS 11.01 billion (30th June 2020: TZS 7.70 billion). The changes had equally increased employer's PSSSF contribution to TZS 1.61 billion (30th June 2020: 1.11 billion), staff housing allowance to TZS 2.18 billion (30 June 2020: 1.51 billion) and staff transport allowance to TZS 1.23 billion (TZS 826.95 million). Furthermore, the Corporation started implementation of its exclusive mandate on ship tallying on 17 February 2020 at Dar es Salaam port only for the period of about 4.5 months by using the service of interns. Ship tallying functions were undertaken for all months of the financial year ended 30th June 2021 to cover the ports of Dar es Salaam, Tanga and Mtwara with the services of 157 interns (30th June 2020: 119 interns) and the interns' basic salaries for non-pensionable posts of TZS 1.01 billion (30th June 2020: 359.65 million). Thus, the increase of cost for basic salaries for non-pensionable post is associated with increase in duration, scope and number of engaged interns. The summary of these expenses is provided below:

Basic salaries - pensionable posts	11,009,397	7,704,332
Basic salaries - non-pensionable posts	1,014,324	359,648
Staff - Housing Allowance	2,177,865	1,508,690
Staff - Transport Allowance	1,225,210	826,948
Staff - Utility Allowance	356,025	239,137
Staff -Motor Vehicle Maintenance	38,444	42,090
Leave Passage	803,088	514,953
Security Allowance	513,070	345,737



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. WAGES, SALARIES AND EMPLOYEE BENEFITS (CONTINUED)

Extra duty Allowance	230,759	820,636
Staff Terminal Benefits	-	5,158
Contribution to social security fund (PSSSF)	1,613,544	1,145,296
Medical Insurance (NHIF)	397,068	215,389
Worker Compensation Fund (WCF)	83,116	60,358
Furniture Allowances	184,000	18,000
Honoraria	116,455	2,200
Gratuities	21,613	28,500
Skills Development Levy (SDL)	690,505	545,872
	20,474,483	14,382,944
Analysis of Cash paid		
Opening Staff payable	89,148	213,453
Expenses for the year	20,474,483	14,382,944
Closing Staff Payable	(269,495)	(89,148)
Cash amount paid	20,294,136	14,507,249
Note: Closing Staff payable is arrived as follows:		
Other Staff payable (Note 25)	213,746	60,973
PAYE (Note 25)	886	(5,074)
Employee's benefits payable (Note 27)	54,863	33,250
Cash amount paid	269,495	33,250

14. DIRECTORS FEES & OTHER BOARD EXPENSES

The Directors fees and other Board expenses for the financial year ended 30 June 2021 were recognized at TZS 252.86 million (30 June 2020: TZS 815.09 million). Out of these expenses, TZS 110.53 million (30th June 2020: TZS 380.15 million) were for Board Members, including the Directors fees of TZS 57.61 million (30 June 2020: TZS 78.90 million); and TZS 142.33 (30th June 2020: TZS 434.94 million) were for Board Secretariat, Management staff who attend Board activities and supporting staff. The decrease in Directors fees and other Board expenses resulted from dissolution of the Board on 3 May 2021, thus, the Board operated for ten (10) months only during the financial year under review. The summary of Directors fees and other Board expenses are provided below:



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. DIRECTORS FEES & OTHER BOARD EXPENSES (CONTINUED)

	2020/21 TZS '000	2019/20 TZS '000
A: Expenses for Board Members		
Directors fees	57,605	78,899
Subsistence Allowances - Domestic	35,077	202,000
Air Travel Tickets – Domestic	2,211	12,091
Ground Travel Expenses	15,009	31,102
Honoraria	-	20,250
Seminar & Tuition fees	-	10,950
Conference, Food & Refreshments	628	24,862
Sub Total – Board Members Expenses	110,530	380,154
B: Expenses for Board Secretariat, Management and Supporting Staff		
Subsistence Allowances - Domestic	57,392	116,798
Ground Travel Expenses	4,445	22,325
Vehicle fuel & Lubricant	7,896	62,622
Air Travel Tickets - Domestic	-	19,637
Sitting Allowance	-	64,805
Honoraria	42,600	86,200
Cartridges, Tonner, Drums & Other Consumables	1,922	1,039
Publicity	-	3,500
Conference, Food & Refreshment	29,074	58,011
Sub Total	142,329	434,937
Total Expenses for Board and Related Activities	252,859	815,091
Analysis of Cash paid		
Expenses for the year	252,859	815,091
Cash amount paid	252,859	815,091



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. TRAVELLING, TRAINING AND OTHER FACILITATION EXPENSES

Travelling, training and other facilitation expenses for the year ended 30th June 2021 were recognized at TZS 9.19 billion (30th June 2020: 5.79 billion). The significant changes in expenditure were recorded on subsistence allowance (per-diem) for domestic travels, sitting allowances and domestic travels. These were necessitated by facilitation of the National Technical Committee on implementation of IMO Member State Audit Scheme (IMSAS) report, facilitation of Technical Committees on drafting, amending and translating legislation, census of maritime vessels conducted jointly with National Bureau of Statistics (NBS), monitoring visits to regional offices and border posts, and attending periodic shipping business functions on areas where TASAC offices were not opened. The summary of travelling, training and other facilitation expenses is provided below:

	2020/21	2019/20
	TZS '000	TZS '000
Subsistence Allowances – Domestic	4,882,335	2,376,762
Subsistence Allowances – Foreign	22,637	395,801
Sitting allowances	2,763,665	1,955,125
Air Ticket Expenses – Domestic	461,138	328,379
Air Ticket Expenses – Foreign	1,638	116,030
Ground Travel Expenses	539,304	332,928
Seminar & Tuition fees	487,780	220,119
Training allowances	7,440	14,164
Outfit allowances	1,200	6,400
Disturbance Allowance	2,321	3,599
Passages Allowances	25,741	41,646
Visa Application Fees	850	-
	9,196,049	5,790,953
Analysis of Cash paid		
Staff advances & imprest b/f	(101,943)	(253,590)
Expenses for the year	9,196,049	5,790,953
Staff advances and imprest c/f	36,605	101,943
Cash amount paid	9,130,711	5,639,306

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SERVICES, SUPPLIES AND CONSUMABLES EXPENSES

Services, supplies and consumable expenses for the year ended 30th June 2021 were recognized at TZS 5.33 billion (30th June 2020: 3.65 billion). The major changes in expenditure were recorded on conference, food and refreshments as well as on rental and service charges. Expenditure for conference, food and refreshments increased due to increase in volume of activities, including stakeholders' meetings, which demanded usage of conference facilities while the Corporation had no such facilities. Further, rental and service charges increased due to acquisition of required additional office space at Head Office to accommodate new staff and Mtwara, Mwanza and Tanga on vacation of LATRA. The summary of services, supplies and consumable expenses is provided below:

	2020/21 TZS '000	2019/20 TZS '000
Postage and Couriers Expenses	80,421	61,623
Telephone & Fax expenses	46,641	52,998
Mobile Phone Top-Up	263,494	156,472
Data Line & Internet Services	256,844	202,928
Insurance		929
Advertising and Publication	436,650	381,316
Conference, Food & Refreshments	1,127,567	562,633
Rental and Service charges	1,155,787	408,007
Office supplies and services	605,670	305,388
Electricity	93,363	98,186
Water Bill and Drink water	11,621	10,172
Office Cleaning & Decoration	16,049	15,265
Funeral Expenses	74,790	93,932
Uniforms and Ceremonial Dresses	395,722	137,834
Books and other educational materials	29,411	197,892
Corporate Social Responsibility	65,899	40,400
Recruitment Expenses	-	5,600
Cashew nuts clearance expenses	-	493,836
Staff Professional Membership Fees	34,517	26,324
Security Services	57,584	33,040
Fines & Penalties	45,880	89,674
Auditing fees	138,780	109,604
Consultancy fee	355,097	67,523
Medical Expenses	34,523	102,266
	5,326,310	3,653,842
Analysis of Cash paid		
Payable b/f	1,171,054	525,663
Inventory b/f	(167,897)	(121,350)
Prepaid expenses b/f	(63,345)	-
Expenses for the year	5,326,310	3,653,842
Prepaid Expenses c/f	134,889	63,345
Inventory c/f	224,960	167,897
Payables c/f (Note 25)	(1,202,266)	(1,171,054)
Other Provisions (Note 26)	(1,879,056)	-
Adjustment for opening inventory from SU-MATRA	(135,177)	
Cash amount paid	3,409,472	3,118,343



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SERVICES, SUPPLIES AND CONSUMABLES EXPENSES (Continued)

	2020/21 TZS '000	2019/20 TZS '000
From Note 25: Payables c/f is arrived as follows:		
Accrued expenses	937,716	500,105
Suppliers payables	149,750	345,925
VAT Returns	104,219	325,025
Stale cheque	10,581	-
	1,202,266	1,171,055

17. REPAIR AND MAINTENANCE EXPENSES

Office Building	12,209	4,418
Vehicles and mobile equipment	295,747	145,214
Generators, machinery and fixed equipment	365	11,454
ICT Equipment and Software	191,516	5,020
Fuel and Lubricants	452,457	364,270
	952,294	530,376
Analysis of Cash paid		
Payable b/f	-	85,469
Expenses for the year	952,294	530,376
Cash amount paid	952,294	615,845

18. CONTRIBUTION TO GOVERNMENT CONSOLIDATED FUND

The contribution to the Government Consolidated Fund is made in compliance with the Public Finance Act, No. 6 of 2001 as amended by the Finance Act, No. 16 of 2015. The Act requires an executive agency, public corporation, public authority or public institution which charges or imposes and collects fees for services rendered, at the end of every quarter of a financial year, to remit fifteen per-centum (15%) of the gross revenue to the Government Consolidated Fund.

In addition, Permanent Secretary, Ministry of Finance and Planning who is also the Paymaster General (PST) is empowered under Section 12(7) of the Budget Act, No. 11 of 2015 to conduct periodic review of revenue and expenditure of public entities. PST exercised his powers under the Budget Act and applies section 42 of the Act to direct, through the Office of Treasury Registrar, remittance of revenue collected in excess of the approved budget to the Government Consolidated Fund.

During the financial year ended 30 June 2021, the Corporation contributed TZS 31.83 billion (30th June 2020: TZS 20.11 billion) to the Government Consolidated. Out of this, TZS 12.68 billion (30 June 2020: TZS 8.21 billion) was 15% of recognized and earned revenue and TZS 19.15 billion (30th June 2020: TZS 11.90 billion) was 70% of surplus funds as summarized below:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. CONTRIBUTION TO GOVERNMENT CONSOLIDATED FUND (Continued)

Payment Details	2020/21 (TZS '000')	2019/20 (TZS '000')
1 Quarter Contribution	2,274,873	1,878,412
2 Quarter Contribution	2,947,512	2,174,046
3 Quarter Contribution	3,131,075	2,003,675
4 Quarter Contribution	3,559,540	2,156,700
Contribution Payable (c/f)	762,851	-
Sub-Total (15% of Gross Revenue)	12,675,851	8,212,833
Redemption of Excess Capital (70% of surplus funds)	19,150,000	11,900,000
Grand-Total	31,825,851	20,112,833
Analysis of Contribution paid		
Contribution for the year	31,825,851	20,112,833
Contribution Payable (c/f)	(762,851)	-
Cash amount paid	31,063,000	20,112,833

19. CONTRIBUTION AND SUBSCRIPTION TO OTHER BODIES

The Corporation remitted contribution and paid subscriptions to national and international bodies related to maritime transport sector. Contributions made during the year amounted to TZS 1.09 billion (30 June 2020: TZS 1.17 billion). These contributions were made as follows:

(a) Contribution and subscription to the international organizations

These were made on behalf of the Government of the United Republic of Tanzania to the following beneficiaries:

- i) the Intergovernmental Standing Committee on Shipping (ISCOS) which is a regional body based in Mombasa, Kenya, established by four Member States of Kenya, Tanzania, Uganda and Zambia in the year 1967 and a permanent Secretariat was established in the year 1974 with the legal agreement to establish the institution signed in 1987 to perform, on the behalf of Member States, various functions such as negotiation on freight rates, fighting against unjustifiable surcharge and other charges on seaborne cargo. During the year ended 30 June 2021, contribution made to ISCOS was TZS 959.70 million (30 June 2020: TZS 958.97 million);
- ii) the International Maritime Organization (IMO) which is the United Nations specialized agency based in London, United Kingdom, with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. During the year ended 30 June 2021, recognized contribution to IMO was TZS 20.83 million (30 June 2020: TZS 41.15 million);



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. CONTRIBUTION AND SUBSCRIPTION TO OTHER BODIES (CONTINUED)

- iii) the Indian Ocean Memorandum of Understanding on Port State Control (IOMOU) between national maritime authorities of Australia, Bangladesh, Djibouti, Eritrea, Ethiopia, India, Iran, Kenya, Maldives, Mauritius, Mozambique, Myanmar, Oman, Seychelles, South Africa, Sri Lanka, Sudan, Tanzania and Yemen on Port State Control for the Indian Ocean Region. During the year ended 30 June 2021, recognized contribution to IOMOU was TZS 18.19 million (30 June 2020: TZS 18.21 million); and
- iv) the subscriptions to the service provider, Fulcrum Maritime Systems Limited of London, UK for Long Range Identification and Tracking (LRIT) of ships for global identification and tracking of Tanzania registered ships. During the year ended 30 June 2021, there was no subscription for LRIT (30 June 2020: TZS 82.21 million) as renewal of the contract with the service provider, the Fulcrum Maritime Systems Limited of London, United Kingdom, was at vetting stage to the Attorney General's Office.

(b) Contribution to the National body

Contribution to National body was made to the Maritime Education & Training Fund (MET Fund) Board at the rate of 0.1% of the Corporation's gross revenue in compliance with Regulation 5 of the Merchant Shipping (Maritime Education and Training Fund) Regulations, 2011 (GN. No. 184 published on 18 May 2012). During the year ended 30 June 2021, contribution made to MET Fund was TZS 94.11 million (30 June 2020: TZS 70.87 billion). The contribution of TZS 94.11 million during the year ended 30 June 2021 consists of TZS 84.51 million being contribution for the year under review and TZS 9.6 million being arrears for the financial year ended 30 June 2020.

(c) Total Contribution and Subscription to the National and International Bodies

During the financial year ended 30 June 2021, the Corporation's total contribution and subscription to the national and international bodies amounted to TZS 1.09 billion (30 June 2020: TZS 1.17 billion). The summary of the total contribution and subscriptions made is given below:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. CONTRIBUTION AND SUBSCRIPTION TO OTHER BODIES (Continued)

	2020/21	2019/20
	TZS '000	TZS '000
Contribution to ISCOS Secretariat	959,702	958,967
Contribution to IMO	20,829	41,151
Contribution to MET Fund	94,105	70,872
Contribution to IOMOU	18,186	18,213
Subscription for LRIT System	-	82,208
	1,092,822	1,171,411
Analysis of Cash paid		
Provision for IMO contribution payable b/f	41,151	90,297
Provision for IMO contribution c/f	(61,980)	(41,151)
Provision for MET Fund contribution c/f	(84,506)	-
Provision for IOMOU contribution c/f	(18,186)	-
Expenses for the year	1,092,822	1,171,411
Total Cash Paid	969,301	1,220,557

20. BANK CHARGES

Bank charges and other bank expenses	49,186	48,505
	49,186	48,505

21. CORPORATION TAX

The Corporation's exclusive mandate on shipping business functions are subject to corporation tax. The tax returns were filed during the year in compliance with section 91(1) of The Income Tax Act [CAP. 332 R.E 2019] The total tax expenses for the year ended 30 June 2021 was TZS 310.99 million (30 June 2020: TZS 806.57 million) consisting of current tax TZS 154.57 million (30 June 2020: TZS 658.40 million) and deferred tax liability TZS 156.42 million (30 June 2020: TZS 148.17 million).

Tax expenses

Current tax	154,565	658,399
Deferred tax liability current year	156,425	41,443
Deferred tax asset previous year loss	-	89,313
Release of deferred tax asset	-	(89,313)
Deferred tax liability previous year	-	106,724
	310,990	806,566



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020/21	2019/20
	TZS '000	TZS '000
21. CORPORATION TAX (Continued)		
<u>Tax Receivable/(Payable)</u>		
Opening balance	(263,020)	-
Current tax payable	(154,565)	(658,399)
	(417,585))	(654,339)
Final tax paid for the year	234,963	-
Tax paid during the year	1,281,872	395,379
	1,516,835	395,379
	1,099,250	(263,020)
<u>Deferred Tax Liability</u>		
Opening balance-	148,167	-
Deferred tax relating to previous year	-	106,724
Charge/(release)	156,425	41,443
	304,592	148,167
<u>Deferred tax Asset</u>		
Opening balance		
Deferred tax asset previous year loss	-	(89,313)
Release of deferred tax asset	-	89,313
	-	-
<u>Reconciliation of current Tax</u>		
Operating profit for the year (Note 34)	495,882	2,662,011
Corporation Tax (30%)	148,764	798,603
Add back: disallowable expenses:	135,138	71,172
Less: Allowable Expenses	(129,338)	(122,064)
Deferred tax relating to previous year	-	(89,313)
	154,565	658,398

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the financial ended 30 June 2021 had a balance of TZS 17.24 billion (30 June 2020: TZS 21.99 billion). There was a short delay in receiving funds from revenue collection accounts in the previous year that caused overdraft of TZS 138.13 million.

The summary of cash and cash equivalent balances is provided below:

	2020/21	2019/20
	TZS '000	TZS '000
Cash on Hand (Petty Cash)	18,765	8,767
Cash at Banks:		
NBC - Expenditure A/c - TZS	1,082,024	(138,127)
NBC - Expenditure A/c – US\$	27,294	76,318
NBC- Revenue collection A/c - TZS	-	-
NBC- Revenue collection A/c – US\$	34	5,529
NMB- Revenue collection A/c - TZS	-	-
NMB- Revenue collection A/c - US\$	-	-
CRDB- Customers Deposit A/c - TZS	1,876	217
CRDB- Customers Deposit A/c – US\$	5,178,994	3,235,723
BOT- Revenue Collection A/c - TZS	1,646,015	4,089,241
BOT- Revenue Collection A/c – US\$	9,286,635	14,711,337
	17,241,637	21,989,005

23. RECEIVABLES AND PREPAYMENTS

Receivables and prepayments increased during the year ended 30 June 2021 to TZS 58.17 billion (30 June 2020: TZS 38.19 billion). The major increase resulted from service providers levy receivable from TPA and the shipping services fees receivables from regulated service providers on issued fee notes at the end of financial year. Prepayments include major part of advance payments made to GPSA for procurement of motor vehicles whose delivery were delayed import challenges due to COVID-19. Receivables from LATRA was still pending despite our follow-up. The summary of receivables and prepayments is provided below:

Receivables from exchange transactions:

Shipping business services	6,930,006	4,101,435
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Receivables in respect of non-exchange transactions:

Service Providers Levy (TPA)	30,408,648	21,875,015
Service Providers Levy, Survey & Seafarers fees (MSCL)	524,201	528,119
Other receivables from non-exchange transactions	14,899,707	9,201,399
	45,832,556	31,604,533

Other Receivables:

Staff Loans Revolving Funds (LATRA)	678,218	678,218
Facilitation of the Project (MLVMCTP)	68,866	57,568
	747,084	735,786



**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

Advances and Prepayments:

	2020/21 TZS '000	2019/20 TZS '000
Staff advances and imprest	36,606	101,944
Advances to Suppliers	5,137,284	2,243,432
Prepayments	134,889	63,345
	5,308,779	2,408,721
	58,818,425	38,850,475
Less: Allowances for impairment of receivables	(652,226)	(652,226)
	58,166,199	38,198,249

Allowances for impairment on receivables

Balance brought forward	652,226	652,226
Amount written - off	-	-
Amount recovered	-	-
Charge during the year	-	-
Balance carried forward	652,226	652,226

Age analysis of Receivables and Prepayments is as shown below:

==>Neither past due nor impaired 1- 30 days	26,805,626	4,296,240
==>Past due but not impaired	-	
<i>Not impaired & overdue 31 - 90 days</i>	2,993,053	15,517,102
<i>Not impaired & overdue 91 - 360 days</i>	4,397,470	2,872,318
<i>Not impaired & overdue above 360 days</i>	23,970,050	15,512,589
	58,166,199	38,198,249

Analysis of Cash flow from LATRA:

Opening Receivable from LATRA	(678,218)	7,105,494
Closing Receivable from LATRA	678,218	(678,218)
Net Receipts from LATRA	-	6,427,276

Analysis of Payments to MLVMCTP

Opening Receivable	(57,568)	(18,009)
Closing Receivable	68,866	57,568
Cash paid	11,298	39,560

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. INVENTORIES

	2020/21	2019/20
	TZS '000	TZS '000
Stock of Stationery	93,200	50,867
Stock of Computer Consumables	99,738	89,221
Stock of Certificates	20,650	23,424
Stock of Licences	9,510	3,816
Stock of kitchen, food and beverage	1,863	569
	224,961	167,897
Less: Provision for obsolete stock	-	-
	224,961	167,897
<i>Amount of inventories recognized as expense during the year:</i>		
Carrying amount of inventory used	537,805	269,959
	537,805	269,959

The amount of written-down inventories recognized as an expense during the year ended 30 June 2021 was TZS 537.81 million (30 June 2020: TZS 269.96 million), which is within the Office Supplies and Services expenses of TZS 605.67 million (30 June 2020: TZS 305.39 million) provided under Note 16 of these financial statements.

No inventory items were pledged as security during the financial year ended 30 June 2021 or the financial current year.

25. PAYABLES AND ACCRUED EXPENSES

Payables are non-interest bearing and are normally settled on 30-day terms. Accrued expenses are recognized expenses on the books of account as they are already incurred before they are paid; and are recorded in the accounting period in which it is incurred. The carrying value of trade and other payables approximates their fair value.

The total payables and accrued expenses as at 30 June 2021 was TZS 7.58 billion (30 June 2020: TZS 4.85 billion), mainly consisting of accrued expenses of TZS 937.72 million (30 June 2020: TZS 500.10 million), advanced payments (cash deposits) from shipping business customers of TZS 5.40 billion (30 June 2020: TZS 3.52 billion), contribution of 15% of gross revenue to the Government Consolidated Fund of TZS 762.85 million (30th June 2020: Nil), other staff payables of TZS 213.75 million (30th June 2020: TZS 60.97 million), suppliers payables of TZS 149.75 million (30 June 2020: TZS 345.93 million), stale cheque of TZS 10.58 million (30 June 2020: Nil), VAT Returns of TZS 104.22 million (30 June 2020: TZS 423.22 million) and PAYE of TZS 0.89 million (30 June 2020: (TZS 5.07 million)).

The Corporation's summary of payables and accrued expenses as at 30 June 2021 were as given below:



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PAYABLES AND ACCRUED EXPENSES (Continued)

	2020/21	2019/20
	TZS '000	TZS '000
Accrued expenses	937,716	500,104
Advances received from Customers	5,403,462	3,523,381
Contribution to Government Consolidated Fund	762,851	-
Other Staff payable	213,746	60,973
Supplier's payables	149,750	345,925
Stale cheque	10,581	-
VAT Returns	104,219	423,221
PAYE	886	(5,074)
	7,583,211	4,848,530

26. PROVISIONS

Provisions during the financial year ended 30 June 2021 was TZS 2.04 billion (30 June 2020: TZS 41.15 million) being contribution for IMO of TZS 61.98 million (30 June 2020: TZS 41.15 million), contribution for IOMOU of TZS 18.19 million (30 June 2020: Nil), contribution for MET Fund of TZS 84.36 million (30 June 2020: Nil) and other provisions of TZS 1.89 billion (30 June 2020: Nil). The other provisions include funds for implementation of MoU between TASAC and NBS on marine vessels census at TZS 1.39 billion. Overall, provisions for the year were as summarized below:

IMO Contribution payable	61,980	41,151
IOMOU Contribution payable	18,186	-
MET Fund Contribution payable	84,506	-
Other Provisions for payables	1,879,056	-
Total current provisions	2,043,728	41,151
Movement during the year		
Balance as at 1 July (current/Non-current)	41,151	-
Additional provisions made during the year	2,002,587	41,151
Balance as at 30 June	2,043,738	41,151

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. EMPLOYEE BENEFITS PAYABLE

Employee benefits payable consists of gratuity payable to the former Director General up to 4 April 2021 when his employment contract ended. The former Director General's employment contract was for a specified period of four (4) years.

The accumulated amount of gratuity payable as at 30 June 2021 was TZS 54.86 million (30 June 2020: TZS 33.25 million) as shown below:

	2020/21	2019/20
	TZS '000	TZS '000
Gratuity payable at end of contract	54,863	33,250
	54,863	33,250
Comprising:		
Balance c/f	33,250	4,750
Gratuity accumulated during the year	21,613	28,500
Total accumulated payable	54,863	33,250

28. CAPITAL FUND

The capital fund was established from the Certificate of Transfer of assets and liabilities from SUMATRA to TASAC effective from 1 July 2018. The capital fund was initially established at TZS 22.09 billion and during the financial year ended 30 June 2020, additional capital of TZS 2.18 billion was received from the funds set aside at SUMATRA (now LATRA) to the completion of construction of office building, making the capital fund of the Corporation at TZS 24.26 billion. Therefore, until 30 June 2021, the capital fund of the Corporation continued to be TZS 24.26 billion.

29. ANALYSIS OF EXPENSES BY FUNCTION

	2020/21	2019/20
	TZS '000	TZS '000
Administrative Expenses	28,551,794	20,037,467
Regulatory Expenses	7,741,407	4,947,902
Business Expenses	533,374	533,374
Training and Staff Development Expenses	928,863	519,973
Directors Fees and Other Board Expenses	252,859	815,091
Contribution to the Government Fund	31,825,851	20,112,833
Contribution/Subscription to International Bodies	1,092,822	1,171,411
	70,926,970	48,138,051



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. PROPERTY AND EQUIPMENT (Figures in TZS '000)

	Cost as at 1 July	Cost Additions during the Year	Balance as at 30 June	Balance as at 1 July	Depreciation Charge for the year	Impairment Loss for the year	Balance as at 30 June	Carrying value as at 30 June
2020/21								
Leasehold Land	390,000	-	390,000	-	-	-	-	390,000
Buildings	69,000		69,000	4,554	2,277	-	6,831	62,169
Motor vehicles	3,243,541	1,367,445	4,610,986	428,217	529,326	7,596	965,139	3,645,847
Plant and machinery (Generators)	58,499	-	58,499	14,625	7,312	-	21,937	36,562
Fixtures, Fittings & Furniture - Office	1,029,664	405,391	1,435,055	155,593	141,286	-	296,879	1,138,176
Computers, Servers & UPS	2,087,481	386,083	2,473,564	433,256	484,302	-	917,558	1,556,006
Office Equipment	541,911	695,000	1,236,911	78,739	152,376	-	231,115	1,005,796
Sub-Total	7,420,096	2,853,919	10,274,015	1,114,984	1,316,879	7,596	2,439,674	7,834,556
Capital Work In Progress***	6,106,168	-	6,106,168	-	-	-	-	6,106,168
Total	13,526,264	2,853,919	16,380,183	1,114,984	1,316,879	7,596	2,439,674	13,940,724
2019/20								
Leasehold Land	390,000	-	390,000	-	-	-	-	390,000
Buildings	69,000		69,000	2,277	2,277	-	4,554	64,446
Motor vehicles	1,101,184	2,142,357	3,243,541	137,648	228,439	62,129	428,216	2,815,325
Plant and machinery (Generators)	58,499	-	58,499	7,312	7,312	-	14,624	43,875
Fixtures, Fittings & Furniture - Office	364,164	665,500	1,029,664	35,606	119,987	-	155,593	874,071
Computers, Servers & UPS	707,611	1,379,870	2,087,481	116,198	317,058	-	433,256	1,654,225
Office Equipment	274,596	267,315	541,911	26,577	52,162	-	78,739	463,172
Sub-Total	2,965,054	4,455,042	7,420,096	325,618	727,236	62,129	1,114,982	6,305,114
Capital Work In Progress	3,929,003	2,177,165	6,106,168	-	-	-	-	6,106,168
Total	6,894,057	6,632,207	13,526,264	325,618	727,236	62,129	1,114,982	12,411,282

*** The figure for Capital Works In Progress for Construction of Office Building jointly owned by TASAC and LATRA remained the same as the Corporation was still following-up with LATRA to get documents for capitalisation. In addition, TASAC did not have capacity to control the service potential of the building

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. INTANGIBLE ASSETS (Figures in TZS '000)

	Cost		Accumulated Amortization		Carrying value as at 30 June
	Cost as at 1 July	Additions during the Year	Balance as at 1 July	Amortization charge for the year	Balance as at 30 June
2020/21					
Software - Administration Systems	90,210	14,597	10,634	94,021	104,655
Software - ICT Infrastructure & Operations Systems	1,064,263	87,189	34,085	27,630	61,715
Sub-Total	1,154,473	101,786	44,719	121,651	1,089,889
WIP- Shipping Business System	416,182	344,508	-	-	760,690
Total	1,570,655	446,294	44,719	121,651	1,850,579
2019/20					
Software - Administration Systems	90,210		1,613	9,021	10,634
Software - ICT Infrastructure & Operations Systems	202,409	861,854	6,941	27,144	34,085
Sub-Total	292,619	861,854	8,554	36,165	44,719
WIP- Shipping Business System	142,348	273,834	-	-	416,182
Total	434,967	1,135,688	8,554	36,165	44,719
					1,525,936



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES

	2020/21 TZS '000	2019/20 TZS '000
32.1 Cash Flow from Operating Activities – Indirect Method		
Surplus for the year	13,578,705	22,734,087
<u>Add/(Less):</u>		
Depreciation for the year (Note 30)	1,316,879	727,236
Amortization charge for the year (Note 31)	121,651	36,165
Impairment Loss for the year (Note 35)	7,596	62,129
Unrealized Exchange (gain)/loss (Note 11)	(22,040)	598,209
Changes in Receivables & advances (Note 32.3)	(18,173,348)	(13,744,506)
Changes in Payables (Note 30.2)	4,750,472	4,321,039
Changes in Inventory (Note 24)	(57,063)	(46,547)
Net cash from operating activities	1,522,852	14,687,812
32.2 Analysis of Changes in Payables		
Payables and Accrued Expenses	7,583,211	4,750,334
Employee benefits	54,863	33,250
Tax payable	-	263,020
Provisions	2,043,727	41,151
Deferred Tax liability	304,592	148,167
Sub Total - Payable related to Operating Activities	9,986,393	5,235,922
Payables related to property, equipment and Intangible Asset	-	98,196
	9,986,393	5,334,118
32.3 Analysis of Changes in Receivables and Prepayments		
Receivable relating to Operating activities	52,831,428	35,763,536
Staff advances and Imprest (Operating activities)	36,606	101,944
Prepayments (Operating activities)	134,889	63,345
Tax Receivable	1,099,251	-
Sub Total (Receivables & Advances - Operating activities)	54,102,174	35,928,825
Receivable from LATRA (Financing activities)	678,218	678,218
Advances to Suppliers (Investing activities)	5,137,284	2,243,432
	59,917,676	38,850,475

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020/21	2019/20
	TZS '000	TZS '000

33. ANALYSIS OF CASH FLOWS FROM INVESTING ACTIVITIES

33.1 Cash flow analysis from additions of Property and Equipment

Analysis of Cash paid

Property and Equipment payable b/f	(14,116)	(6,000)
Advance to Supplier b/f	2,243,432	2,144,456
Cash paid by LATRA for construction of jointly owned Office Building	-	2,177,165
Additions during the year	(2,853,919)	(6,632,208)
Advance to Supplier c/f	(5,137,284)	(2,243,432)
Payable C/f	-	14,116
Net Cash amount paid	(5,761,887)	(4,545,902)

33.2 Cash flow analysis from additions of Intangibles

Analysis of Cash paid

Intangibles payable b/f	(84,080)	(48,920)
Additional Intangible Assets	(446,294)	(1,135,688)
Payable c/f	-	84,080
Cash amount paid	(530,374)	(1,100,528)

34. STATEMENT OF FINANCIAL PERFORMANCE FOR SHIPPING BUSINESS

Revenue:

Shipping Agency revenue	5,734,504	1,161,647
Shipping Tallying revenue	6,975,428	2,230,144
Clearing & Forwarding Agency revenue	15,578,459	14,404,146
Shipping Document Control revenue	1,038,404	398,471
Commission on Disbursements	17,531	6,834
Total Revenue	29,344,326	18,201,242

Expenses:

Staff Salaries & other benefits	12,181,243	5,256,087
Contribution to Govt. Consolidated Fund	11,051,425	5,165,338
Other Operating Expenses	5,615,775	5,117,805
Total Expenses	28,848,444	15,539,230
Profit/(Loss)	495,882	2,662,011



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. IMPAREMENT OF NON-CURRENT ASSETS

	2020/21 TZS '000	2019/20 TZS '000
35.1 TOYOTA - PICK UP HILUX (STK 8377)		
A: Carrying Amount		
Cost	59,828	-
Accumulated Depreciation	(14,957)	-
Accumulated impairment	-	-
Net Book value (Carrying Amount)	44,871	-
Recoverable Service Amount		
B: Fair value less cost to sell	24,500	-
C: Value in use (Restoration cost approach)		
Replacement Cost	92,347	-
Accumulated Depreciation	(34,630)	-
Depreciated Replacement cost (undamaged)	57,717	-
Less: Restoration Cost	(19,738)	-
Value in use	37,979	-
D: Recoverable Service Amount (Higher of B & C)	37,979	-
Impairment loss (A-D)	6,892	-
35.2 TOYOTA - PICK UP HILUX (STL 4872)		
A: Carrying Amount		
Cost	91,482	91,482
Accumulated Depreciation	(24,167)	(22,871)
Accumulated impairment	(62,129)	-
Net Book value (Carrying Amount)	5,186	68,611
Recoverable Service Amount		
B: Fair value less cost to sell	4,482	6,482
C: Value in use (Restoration cost approach)		
Replacement Cost	92,347	92,347
Accumulated Depreciation	(34,630)	(34,630)
Depreciated Replacement cost (undamaged)	57,717	57,717
Less: Restoration Cost	(85,865)	(85,865)
Value in use	(28,148)	(28,148)
D: Recoverable Service Amount (Higher of B & C)	4,482	6,482
Impairment loss (A-D)	704	62,129

Fair value and restoration cost for the above impaired motor vehicles were provided by TEMESA; meanwhile, the replacement cost used in the analysis is the price of the similar type of motor vehicle recently purchased by the Corporation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value of assets and liabilities are included at price that would be received to sell an asset or paid to transfer a liability in an orderly transaction by market participants at measurement date. During the financial year ended 30 June 2021, there were no assets that were carried at fair value. The financial assets and liabilities by category are summarized below:

(a) Financial Assets:	Carrying Value	Loans and receivables
	TZS '000	TZS '000
30 June 2021		
Cash and cash equivalents	17,241,164	17,241,164
Receivables from exchange transactions	6,930,006	6,930,006
Receivables from non-exchange revenue	45,836,773	45,836,773
Receivables from LATRA	678,218	678,218
Receivables from MLVMCTP	68,866	68,866
	70,755,027	70,755,027
30 June 2020		
Cash and cash equivalents	21,989,005	21,989,005
Receivables from exchange transactions	4,101,435	4,101,435
Receivables from non-exchange revenue	31,604,533	31,604,533
Receivables from LATRA	678,218	678,218
Receivables from MLVMCTP	57,568	57,568
	58,430,759	58,430,759
(b) Financial Liabilities:	Carrying Value	(f) Other Financial Liabilities
	TZS '000	TZS '000
30 June 2021		
Payables and accrued expenses	6,965,238	6,965,238
	6,965,238	6,965,238
30 June 2020		
Payables and accrued expenses	4,848,530	4,848,530
	4,848,530	4,848,530



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The Fair value of Financial instruments Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Inputs into fair value assumptions are disclosed in the notes where the respective fair value measurements are discussed.

	Carrying amount	Fair value
	TZS '000	TZS '000
2021		
Financial assets		
Receivables from exchange transactions	53,509,646	53,509,646
Cash and cash equivalents	17,241,636	17,241,636
	70,751,282	70,751,282
Financial liabilities		
Trade payables from exchange transactions	7,581,211	7,581,211
	7,581,211	7,581,211
2020		
Financial assets		
Receivables from exchange transactions	36,441,755	36,441,755
Cash and cash equivalents	21,989,005	21,989,005
	58,430,760	58,430,760
Financial liabilities		
Trade payables from exchange transactions	4,848,530	4,848,530
	4,848,530	4,848,530

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. RELATED PARTY TRANSACTIONS

The Board Members, including Chairman, and Senior Management employees (Directors and Heads of Unit) are related parties for the Corporation. Related party transactions during the financial year ended 30 June 2021 are Board Members expenses amounting to TZS 110.53 million (30 June 2020: 380.15 million) and senior management salary and other benefits amounting to TZS 922.50 billion (30 June 2020: 904.45 million). The Board expenses for the year 2020/21 was lower as compared to the year 2019/20 as the Board operated for ten (10) months only during the financial year 2020/21 before it was dissolved on 3 May 2021.

Transfer of resources and/or obligations between related parties during the year ended 30 June 2021 included the following:

		2020/21 TZS '000	2019/20 TZS '000
(a) Board Members Expenses:			
Directors fees		57,605	78,899
Subsistence Allowances - Domestic		35,077	202,000
Air Travel Tickets - Domestic		2,211	12,091
Ground Travel Expenses		15,009	31,102
Honoraria		-	20,250
Seminar & Tuition fees		-	10,950
Conference, Food & Refreshments		628	24,862
Sub Total – Board Members Expenses		110,530	380,154
(b) Directors Fees, Senior Management Salary and other benefits:			
	<u>No. of People:</u>		
Directors Fees*	7	57,605	78,899
<u>Basic Salary:</u>			
Director General	1	113,626	114,000
Directors	7	669,722	658,428
Heads of Unit	2	139,154	132,020
Sub-total for Basic Salary		922,502	904,448
<u>Allowances**:</u>			
Director General	1	49,200	49,200
Directors	7	295,645	297,312
Heads of Unit	2	52,791	51,364
Sub-total for Allowances		397,636	397,876



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. RELATED PARTY TRANSACTIONS (CONTINUED)

<u>Contributions to Pension Fund (PSSSF)***</u>			
Director General	1	4,219	-
Directors	7	100,458	98,764
Heads of Unit	2	20,873	19,803
Sub-total for Contributions		125,550	118,567
Gratuity****	1	21,612	28,500
Grand Total		1,524,905	1,528,290

Notes:

- * The Board operated for ten (10) months only from 1 July 2020 to 3 May 2021 when it was dissolved.
- ** Allowances for Management Staff consists of housing allowance, utility allowance, transport allowance and motor vehicle maintenance allowance for Management staff using own vehicles.
- *** Contribution to PSSSF is made under defined contribution plans for Management staff who are on permanent and pensionable terms of employment.
- **** Gratuity was payable to the then Director General until 4 April 2021. The new Director General who was appointed on 4 April 2021 is under permanent and pensionable scheme.

38. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNTS

(a) Original Budget and Final Budget

The Corporation's original budget for the financial year ended 30 June 2021 was adjusted during the half-year review to arrive at the final budget. Revenue collections was adjusted by TZS 4.07 billion (30 June 2020: TZS 378.88 million) from TZS 85.96 billion (30 June 2020: TZS 66.25 billion) to TZS 81.89 billion (30 June 2020: TZS 66.63 billion). The adjustments were made based on performance of the half-year and the expected trend of maritime transport business.

The major adjustments to the budget involved decreasing projected service providers levy by TZS 491.73 million (30 June 2020: increased by TZS 6.13 billion) from TZS 17.23 billion (30 June 2020: TZS 10.28 billion) to TZS 16.74 billion (30 June 2020: TZS 16.41 billion); decreasing fees, licenses and penalties by TZS 428.29 million (30 June 2020: increased by TZS 8.49 billion) from TZS 37.78 billion (30 June 2020: increased by TZS 25.73 billion) to TZS 37.31 billion (30 June 2020: TZS 34.23 billion); decreasing shipping business services revenue by TZS 2.89 billion (30 June 2020: TZS 14.25 billion) from TZS 30.63 billion (30 June 2020: TZS 30.19 billion) to TZS 27.74 billion (30 June 2020: TZS 15.94 billion).

The total expenditure from the original budget was not adjusted. However, the major adjustments within expenditure categories were made by increasing budget for wages, salaries and employee benefits by TZS 2.08 billion from TZS 22.98 billion to TZS 25.06 billion; decreasing budget for travelling and other facilitation expenses by TZS 2.59 billion from TZS 17.22 billion to TZS 14.63 billion; and allocating funds for corporation tax at TZS 2.05 billion. The adjustments were made to ensure smooth implementation of the approved scheme of service, suspension of local travels due to COVID-19 pandemic and enhancing compliance with the Income Tax Act, 2014 on payment of corporation tax for shipping business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNTS (Continued)

(b) Final Budget and Actual Amounts

The Corporation's recognized revenues for the year ended 30 June 2021 was TZS 84.51 billion (30 June 2020: TZS 70.87 billion) which was above the final budget of TZS 81.89 billion (30 June 2020: TZS 66.63 billion) by TZS 2.62 billion (30 June 2020: TZS 4.24 billion), equivalent to over-performance by 3.20% (30 June 2020: 6.37%). The major reason for this performance is attributed by over-recognition of revenue from the service providers' levy as well as fees, licenses and penalties.

The actual expenditure for the Corporation amounted to TZS 70.93 billion (30 June 2020: TZS 48.14 billion), which was above the final budget of TZS 66.80 billion (30 June 2020: TZS 52.87 billion) by TZS 4.12 billion (30 June 2020: TZS 4.73 billion). The over-spending is mainly attributed to the remittance of surplus funds to the Government Consolidated Fund and depreciation charges during the financial year, which were not part of approved budget.

Therefore, explanations of variances between final budget and actual amounts are provided in the table below:

(c) Explanations of Variances between Final Budget and Actual Amounts

	Final Budget {A+B}	Actual Amount on Comparable Basis {C}	Difference: Final Budget Vs Actual	Explanations for Variances
	TZS '000	TZS'000	TZS '000	
REVENUE:				
Revenue from Non-exchange transactions				
Service Providers Levy	16,740,743	17,088,007	347,264	Increase in service provider levy mainly from TPA during last quarter of the year.
Fees, licenses and penalties	37,351,422	37,931,275	579,853	Effective use of Manifest billing system and quarterly monitoring visits to enhance compliance of regulated service providers.
Other Income	-	135,577	135,577	Increase resulted from recognition of consumed inventory amounting to TZS 119.76 million and the other part resulted from liquidated damage on procurement performance guarantee for failure to deliver goods as per signed contract.
Gain/(loss) on foreign currency translation	50,000	24,020	(25,980)	Exchange rate movement was higher than expected
	54,142,165	55,178,879	1,036,714	
Revenue from exchange transactions				



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Final Budget {A+B}	Actual Amount on Comparable Basis {C}	Difference: Final Budget Vs Actual	Explanations for Variances
	TZS '000	TZS'000	TZS '000	
Revenue from Shipping Business Services	27,743,737	29,326,795	1,583,058	Published revised shipping business fees on 5 February 2021 lead to increase in billing of mining companies consignments whose customers disputed earlier published fees
Total	81,885,902	84,505,674	2,619,772	
EXPENSES:				
Wages, salaries and employee benefits	25,060,414	20,474,483	4,585,931	Saving is attributed to non-recruitment of expected additional staff
Directors Fees & Board Members Expenses	237,480	110,530	126,950	The Board of Directors was dissolved by the President on 3 May 2021, thus, eliminated expenses for reining part of the year
Board Secretariat, Management & Supporting	362,520	142,329	220,191	Non-existence of the Board for about 2-months of the year.
Travelling and Other Facilitation Expenses	14,625,472	9,196,049	5,429,423	Restrictions on foreign travels due to COVID-19 pandemic and transfer of some staff to new stations reduced cost of travel to clear cargoes.
Services, Supplies and consumable Expenses	8,776,145	5,326,310	3,449,835	Effective expenditure controls and use of Government facilities reduced expenses
Repair and Maintenance expenses	1,751,943	952,294	799,649	Less expenses as the Corporation did not acquire new offices for the Head Office planned for partitioning and installation of equipment
Contribution to Govt Consolidated Fund (15% of Gross Revenue)	12,893,388	12,675,851	217,537	Contribution made based on recognized revenue

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Final Budget {A+B}	Actual Amount on Comparable Basis {C}	Difference: Final Budget Vs Actual	Explanations for Variances
	TZS '000	TZS'000	TZS '000	
Contribution to Govt Consolidated Fund (70% of Surplus)	-	19,150,000	(19,150,000)	Contribution was not part of the budget. It resulted from surplus funds and remittance was instructed by the Paymaster General.
Contribution to Other Bodies	1,029,084	1,092,822	(63,738)	Increase in recognized contribution to MET Fund
Bank Charges	18,000	49,186	(31,186)	Increase in number of banks and transactions.
Corporation Tax	2,048,162	310,990	1,772,172	More tax was paid on provisional returns.
Depreciation of property and equipment	-	1,316,879	(1,316,879)	Difficulties in estimating for Depreciation
Impairment of property and equipment	-	7,596	(7,596)	Difficulties in estimating for impairment
Amortization of intangible assets	-	121,651	(121,651)	Difficulties in estimating for amortization
Total	66,802,609	70,926,970	(4,124,361)	
Surplus/(deficit) during the year	15,083,292	13,578,704	(1,504,588)	



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Total	Head office	Mwanza	Kigoma	Kagera	Mara	Tanga	Mtwara	Geita	Rukwa	Kyele	Ukerewe	Border Posts & Stations
ASSETS													
Current assets													
Cash and cash equivalents	17,241,637	17,233,351	443	74	324	6	500	446	580	665	446	243	4,561
Receivables and prepayments	58,166,199	57,576,109	580,006	-	-	-	-	10,084	-	-	-	-	-
Tax Receivable	1,099,250	1,099,250	-	-	-	-	-	-	-	-	-	-	-
Inventories	224,961	224,961	-	-	-	-	-	-	-	-	-	-	-
	76,732,047	76,133,672	580,449	74	324	6	500	10,530	580	665	446	243	4,561
Non-current assets													
Property and equipment	7,834,556	6,530,337	200,636	200,186	87,358	95,140	107,758	116,159	91,416	217,960	54,906	132,700	-
Capital WIP - Office Building	6,106,168	6,106,168	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	1,089,889	1,089,889	-	-	-	-	-	-	-	-	-	-	-
Capital WIP - SBMS	760,690	760,690	-	-	-	-	-	-	-	-	-	-	-
	15,791,303	14,487,084	200,636	200,186	87,358	95,140	107,758	116,159	91,416	217,960	54,906	132,700	-
TOTAL ASSETS	92,523,350	90,620,756	781,085	200,260	87,682	95,146	108,257	126,689	91,996	218,624	55,352	132,943	4,561
LIABILITIES													
Current liabilities													
Payables	7,583,211	7,583,211	-	-	-	-	-	-	-	-	-	-	-
Provisions	2,043,728	2,043,728	-	-	-	-	-	-	-	-	-	-	-
Tax payable	-	-	-	-	-	-	-	-	-	-	-	-	-
	9,626,939	9,626,939	-	-	-	-	-	-	-	-	-	-	-
Non-current liabilities													
Employee benefits	54,863	54,863	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liability	304,592	304,592	-	-	-	-	-	-	-	-	-	-	-
	359,455	359,455	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	9,986,393	9,986,393	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS	82,536,956	80,634,363	781,085	200,260	87,682	95,146	108,257	126,689	91,996	218,624	55,352	132,943	4,561
NET ASSETS													
Capital/Taxpayers Fund	24,264,567	24,264,567	-	-	-	-	-	-	-	-	-	-	-
Accumulated surplus/(deficit)	58,272,389	58,272,389	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	82,536,956	82,536,956	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40. SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Total	Head office	Mwanza	Kigoma	Kagera	Mara	Tanga	Mtwara	Geita	Rukwa	Kyele	Ukerewe	Border Posts & Stations
Revenue	17,088,007	16,972,019	115,988										
Service Providers Levy	37,931,275	36,644,646	100,685	64,588	110,974	42,751	15,988	64,929	50,085	15,855	582	71,978	748,216
Fees, Licenses & penalties	29,326,795	29,326,795	-	-	-	-	-	-	-	-	-	-	-
Revenue from exchange transactions	135,577	135,577	-	-	-	-	-	-	-	-	-	-	-
Other Income	24,020	24,020	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on foreign currency translation	84,505,674	83,103,057	216,673	64,588	110,974	42,751	15,988	64,929	50,085	15,855	582	71,978	748,216
Expenses	20,474,483	19,411,983	212,131	45,503	40,152	65,853	89,631	36,432	99,658	41,897	37,311	50,738	343,193
Wages, salaries and employee benefits	252,859	252,859	-	-	-	-	-	-	-	-	-	-	-
Directors Fees & Other Board Benefits	9,196,049	8,885,176	31,534	68,206	46,970	34,080	18,620	7,940	38,281	25,626	8,748	28,575	2,292
Travelling and Other Facilitation Expenses	5,326,310	4,861,681	167,847	-	155,452	13,615	56,900	35,636	20,275	2,160	2,160	12,744	-
Services, Supplies and consumable Expenses	952,295	916,909	6,567	4,913	2,928	4,365	2,000	3,516	3,994	5,287	-	1,817	-
Repairs and Maintenance expenses	31,825,851	31,825,851	-	-	-	-	-	-	-	-	-	-	-
Contribution to Government Consolidated Fund	1,092,822	1,092,822	-	-	-	-	-	-	-	-	-	-	-
Contribution to Other Bodies	49,186	49,186	-	-	-	-	-	-	-	-	-	-	-
Bank charges and Related Expenses	310,990	310,990	-	-	-	-	-	-	-	-	-	-	-
Tax Expenses	1,316,879	1,046,552	42,233	35,450	21,293	23,291	19,162	23,000	20,779	36,457	12,650	21,141	14,872
Depreciation of property and equipment	7,596	7,596	-	-	-	-	-	-	-	-	-	-	-
Impairment of property and equipment	121,651	121,651	-	-	-	-	-	-	-	-	-	-	-
Amortisation of intangible assets	70,926,970	68,783,255	460,313	154,072	266,795	141,204	186,313	106,523	182,987	109,268	60,869	115,014	360,357
Surplus/(deficit) during the year	13,578,704	14,319,802	(243,640)	(89,484)	(155,821)	(98,453)	(170,325)	(41,594)	(132,903)	(93,413)	(60,287)	(43,037)	387,859



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

41. PROCUREMENT COMMITMENTS

The Corporation had a procurement commitment as at 30 June 2021 of TZS 2.25 billion (30 June 2020: TZS 2.94 billion). The total commitments for the financial year ended 30 June 2021 is summarized below:

Item	Contract Value TZS 000	Paid Amount TZS 000	Commitments TZS 000
Goods	2,136,706	174,698	1,962,008
Consultancy Service	226,559	113,091	113,468
Non-Consultancy Service	201,271	68,200	113,071
Minor Value Procurement	61,114	-	61,114
Total	2,625,650	355,989	2,249,661

The above commitments are explained as follows:

(a) Goods

The amount committed on contracts for supply of goods was TZS 1.96 billion (30 June 2020: TZS 2.23 billion). This includes contracted amounts which remained unpaid for the supply of Scanners, Projectors, Time Attendance devices, Communication Equipment, Server Room Accessories and Power Backup Devices, Network Devices (Cisco Router, Switch & Access Point), Renewal of Software Licenses, New Software Licenses, Audit Management Software, Lifesaving Appliances, Staff Uniforms, Staff T-Shirts and Ceremonial Dresses, Supply and Installation of PABX and Accessories, Printed Materials, safe cabinet and money counting machine, Computer Consumables, Staff ID Cards and Name Tags, Lanyard (ID Holders) and Business Cards, and Supply and Installation of Motor Vehicle Tracking System.

(b) Consultancy Service

The amount committed on contracts for Consultancy Services was TZS 113.47 million (30 June 2020: TZS 540 million). This includes contracted amounts which remained unpaid for Consultancy service for provision of Tax Advisory Service, provision of Consultancy Service to set up standard operating procedures for Cargo Consolidators and De-consolidators and provision of Consultancy Service to conduct periodic QMS Audit.

(c) Non - Consultancy Service

The amount committed on contracts for Non- Consultancy Services was TZS 113.07 million (30 June 2020: TZS 120.54 million). This includes contracted amounts which remained unpaid for provision of non-consultancy service for Improvements & Support of Integrated Payroll & Human Resource Management System, provision of Support Service for Manifest Billing System Support, provision of non-consultancy service for Support & Maintenance of Office Equipment (Printers and Photocopies), provision of Internet Backup Link, provision of Long Identification and Tracking of Ships (LRIT) and provision of Support Service for Integrated Maritime Safety and Security System.

(d) Minor Value Procurement

The amount committed for Minor Value Procurement was TZS 61.11 million (30 June 2020: TZS 52.26 million). These includes contracted amounts which remained unpaid for Printing of Annual Report for the financial year 2019/20, supply of 2 Cisco Routers, supply of 10 motor vehicle tyres for the Corporation's motor vehicles, STL 8578 and STL 8367, Installation of fiber cable for all TASAC offices, renting of pavilion for Sabasaba Exhibition and Printing and Supply of Signboards for TASAC Offices.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. CONTINGENT ASSETS

Uncollected Revenue

The Corporation had contingent assets arisen from uncollected revenue from clearing and forwarding fees for minerals, mineral extracts, concentrates and mining equipment. The uncollected fees resulted from dispute by customers on published TASAC clearing and forwarding fees of US\$ 7 per Metric Ton (MT) or 1% of Customs value (whichever is higher) as per Government Notice No. 743 published on 18 October 2019. The dispute was tabled to the Minister for Works and Transport in compliance with Sect. 59 of the Tanzania Shipping Agencies Act, Cap 415. However, the Corporation has maintained the records of the services rendered without payment, despite being against the provisions of Sect. 48 of the Tanzania Shipping Agencies Act, Cap. 415.

In the process of resolving the disputes, the Board of Directors considered revised tariffs proposed by the Ministry of Finance and Planning, which was prepared after consultations with the key stakeholders, including private sectors and TASAC Management. Thus, the Board issued Tanzania Shipping Agencies (Shipping Business Fees, Charges and Commissions) Order, 2021, GN. No. 181 published on 05/02/2021. The Order recognized transactions recorded using the GN. No.743.

Therefore, until the date of publication of new Order, TASAC recorded 5,609 files from 72 customers with contingent revenue of TZS 87.31 billion (30 June 2020: 758.26 million) and VAT of TZS 15.72 billion, making a total of 103.01 billion. However, until the date of authorization of these financial statements, the Corporation had recorded 6,142 files from 72 customers with contingent revenue amounting to TZS 113.54 billion and VAT amounting to TZS 20.44 billion payable to TRA, thus, making a total of TZS 133.98 billion as outstanding collections as a result of disputes. The Corporation will liaise with the Ministry of Works and Transport to organize a meeting to educate mining companies on compliance with legislation.

Lease rental

The Corporation has contingent lease asset from an operating lease with LATRA which is not recognised in the financial statements due to the fact that the amount is not fixed or agreed in advance at the inception of the lease, the amount to be paid is dependent on some future event such as price negotiations.

Contingent rents are recognized as revenue in the period in which they are earned.

43. CONTINGENT LIABILITIES

The Corporation in collaboration with the Office of the Solicitor General continued handling the court matters which were inherited from SUMATRA. There were two cases against the Corporation:

- (i) a labour case No. CMA/MZ/NYAM/916/2017 at the Commission of Mediation and Arbitration (CMA) on appeal for re-instatement at the High Court – Labour Division by a maritime sector employee terminated on disciplinary grounds; and



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

43. CONTINGENT LIABILITIES (CONTINUED)

- (ii) the High Court case No. 23 of 2019 filed by maritime transport service provider (Comfort Company) who appealed to be paid TZS 490 million being compensation for loss sustained due to SUMATRA's delay to approve service providers application for tariffs for use in Lake Victoria, Mwanza.

In the first instance, the employer lost the case hence TASAC appealed against the judgement. Currently the case is proceeding at the High court. On the seconds instance, the Comfort case was initially filed against SUMATRA and later on TASAC after its commencement. Up to the end of the financial year, the two cases were not concluded.

Therefore, there is a possible (but not probable) obligation to be confirmed by a future event that is outside the control of the Corporation. However, the Corporation relies on input from the team of state attorneys from TASAC and the Office of Solicitor General in assessing the probability of future obligations.

44. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency of the Corporation, which is also its presentation currency, is Tanzanian Shillings (TZS). The values in this report are rounded to the nearest thousand.

45. CONTROLLING ENTITY AND ULTIMATE CONTROLLING ENTITY

The Ministry of Works and Transport is the Controlling Entity and the Government of the United Republic of Tanzania is the Ultimate Controlling Entity of the Corporation.

46. ASSETS PLEDGED AS SECURITY FOR LIABILITIES

None of the Corporation's assets have been pledged as security for liabilities.

47. OPERATING LEASE COMMITMENTS

TASAC as Lessee

Future minimum lease payments under noncancelable operating leases.

	2020/21 TZS'000	2019/20 TZS'000
Due within one year	871,727	1,155,787
Due within two to five years	358,898	249,395
Later than five years	-	-
Total operating lease expense commitments	1,230,625	1,405,182

Minimum office rental and service charges payments recognized as an expense during the year amount to TZS 1,155.78 million (2019/20: TZS 408.00 million). Leased premises are contracted for the remaining periods of between one and four years, with renewal options available in certain instances.

TASAC as Lessor

	2020/21 TZS'000	2019/20 TZS'000
Due within one year	-	-
Due within two to five years	-	-
Later than five years	-	-
Total operating lease expense commitments	-	-

For more details, please Refer to note 42 - Contingent asset



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48. EVENTS AFTER REPORTING DATE

TASAC new Board members on 7 July 2021 was appointed by Eng. Dr. Leonard M. Chamuriho, the Minister for Works and Transport. The members were appointed following the appointment of Capt. Mussa Hamza Mandia, the new Board Chairman, on 19 June 2021 by H.E. Samia Suluhu Hassan, the President of the United Republic of Tanzania. The Minister for Works and Transport inaugurated the new Board on Tuesday, 13 July 2021 at the TPA Headquarters' Board Room. Thereafter, the Board induction, which was facilitated by the Office of the Treasury Registrar, was conducted from 23 to 24 July 2021 and attended by TASAC Senior Management as well.



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