



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



TANZANIA FERTILIZER COMPANY LIMITED (TFC)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2022

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AR/PA/TFC/2021/22

About the National Audit Office

Mandate

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

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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TANZANIA FERTILIZER COMPANY LIMITED

TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND DEFINITIONS OF TERMS	iii
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL.....	1
1.1. REPORT ON THE AUDIT OF FINANCIAL STATEMENTS	1
1.2. REPORT ON COMPLIANCE WITH LEGISLATIONS	5
2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 ...	7
3.0 STATEMENT OF DIRECTORS' RESPONSIBILITY.....	13
4.0 DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF TANZANIA FERTILIZER COMPANY LIMITED	14
5.0 FINANCIAL STATEMENTS.....	15
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022.....	15
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022	16
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022.....	17
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022	18
NOTES TO THE FINANCIAL STATEMENTS	19

TANZANIA FERTILIZER COMPANY LIMITED

LIST OF ABBREVIATIONS AND DEFINITIONS OF TERMS

BADEA	Arab Bank for Economic Development in Africa
CAG	Controller and Auditor General
CHC	Consolidated Holding Corporation
HESLB	Higher Education Student Loan Board
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
NAO	National Audit Office

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Tanzania Fertilizer Company Limited,
P.O. Box 9434,
DAR ES SALAAM.

1.1. REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Qualified Opinion

I have audited the financial statements of Tanzania Fertilizer Company Limited, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the accompanying financial statements present fairly in all material respects, the financial position of the Tanzania Fertilizer Company Limited as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Public Finance Act, Cap. 348.

Basis for Qualified Opinion

- a) TFC reported total non-current assets TZS 19,475,194,898 for the year ended 30 June 2022 being TZS 19,461,142,457 for Property, Plant and Equipment and TZS 14,052,441 for intangible assets under Note 3 and Note 4 to financial statements respectively with Revaluation Reserve on non-current assets of TZS 24,173,988,251 under Notes 10 to financial statements. I noted that the previous revaluation was performed in April 2017 on only land and building with exception of Mtwara land and godown building with a cost of TZS 1.2 million and TZS 33.8 million respectively which was recognized in December 2007. Hence, three to five years have lapsed since the previous revaluation of all assets were made contrary to IAS 16 that requires to determine the fair value of all assets at the year end. As a result, I noted the Company's 456 (94%) out of 486 tangible and intangible assets have net book value of either zero or residual value of TZS 1. Moreover, the Company received a Nissan Double Cabin Pickup with registration No. DFP 9631 from Ministry of Agriculture during financial year ended 2021/22 and did not determine the fair value of the motor vehicle for recognition in the financial statements.
- b) The Company could not provide audit evidence on impairment of inventory balances in accordance with IAS 2 of which only TZS 39,387,986 which is the value of Minjingu fertilizer has been fully impaired leaving TZS 377,317,434 (Sulphur Dust TZS 369,476,934, Stationery TZS 4,240,000 and Empty Bags TZS 3,600,000) of stock not impaired whereby the Sulphur dust having indication of expiration. Hence, I could not provide assurance on

the accuracy of TZS 377,317,434 reported as inventory balance in the financial statements (Notes 5 to financial statements).

- c) TFC reported under Notes 11 to financial statements long-term liabilities of TZS 5,404,291,942 that comprised TZS 1,987,834,403 and TZS 3,416,457,539 owed to Japanese KRII Fertilizer and Foreign Trade Creditors (BADEA) respectively. I noted that, the Permanent Secretary of the Ministry of Finance and Planning issued Demand Notice to the Company notifying TFC as one among the beneficiaries of Tanzania Japan Food Aid Counterpart Fund Program (FACF) have an outstanding amount of TZS 522,491,620 that differed with the amount reported in the TFC's audited financial statements of TZS 1,987,834,403 resulting in the disagreement of TZS 1,465,342,783.

Further, the Permanent Secretary of the Ministry of Finance and Planning wrote an official letter with ref No. EG.3/110/01/110 dated 23 December 2021 to the Controller and Auditor General explaining that the Government has decided to waive the debt that helped the Company to pay the loan for the purchase of fertilizers given by BADEA of TZS 4,552,283,100 while TFC recognized only TZS 3,416,457,539 resulting in the disagreement of TZS 1,135,825,561.

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 Fertilizer Company Limited 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 (NBA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matters

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Para 2.10 of the report by those charged with the governance indicates that, during the period ended 30 June 2022, the Company had an excess of current liabilities over its current assets of TZS 15.24 billion (2020: TZS 23.90 billion).

The Current ratio at 30 June 2021 was 0.04:1 (2019/20: 0.22:1). This is because of the Company's reliance on suppliers' credits, bank borrowing to finance its operations and increase expected credit loss from trade receivable balances.

These conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Key Audit Matters

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

Other Information

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

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

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

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

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on 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, 348 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 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2. REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on procurement of works, goods and services in the Tanzania Fertilizer Company Limited (TFC) for the financial year 2021/22 as per the Public Procurement laws.

Conclusion

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

(i) Non-existence of Procurement Management Unit and Tender Board

The Company does not have a Procurement Management Unit and Tender Board to make procurement decisions contrary to Sections 31 (1), (2) and 37 of the Public Procurement Act Cap.410 which require every Procuring Entity (PE) to establish a properly composed Procurement Management Unit (PMU) and Tender Board.

(ii) Non-maintenance of Annual Procurement Plan

TFC did not prepare and approve an annual procurement plan for the financial year ended 30 June 2022 for its procured works, goods and services contrary to Section 28 Public Procurement Act, 2011 and Regulation 70 of Public Procurement Regulations, 2013.

(iii) Non-submission of required documents to PPRA

Tender committee files showed that the Company did not submit contract completion reports, complete checklists, and monthly/quarterly/annually procurement reports to PPRA as per Regulation 87(1) of Public Procurement Regulations, 2013.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Tanzania Fertilizer Company Limited for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, Budget formulation and execution of Tanzania Fertilizer Company Limited comply with the requirements of the Budget Act and other Budget Guidelines.



Salhina M. Mkumba
Ag. Controller and Auditor General,
Dodoma, United Republic of Tanzania.
May 2023



TANZANIA FERTILIZER COMPANY LIMITED

2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022

2.1 INTRODUCTION

The Board of Directors of Tanzania Fertilizer Company Limited hereby present their report together with the audited financial statements for the year ended 30 June 2022 that disclose the state of affairs of the Company.

2.2 ESTABLISHMENT OF THE COMPANY

Tanzania Fertilizer Company Limited was registered under the Companies Ordinance (CAP 212), now the Companies Act, 2002 on 6 July 1968 vide a Certificate of Incorporation Number 4335. The Company was specified on 17 October 1996 vide Government Notice No 321 dated 25 October 1996 and put under PSRC. Subsequently it was officially de-specified vide Government Notice No.11 of 2005 published on 29 April 2005.

2.3 VISION

To be a leading provider of fertilizer and other agricultural inputs in Tanzania, with wider customer coverage, strong financial base, highly motivated staff and prudent networking that focus on quality products and service to customers.

2.4 MISSION

To provide high quality and affordable fertilizers, other agriculture inputs and services to its broader base customers in the supply chain, through utilization of dedicated and knowledgeable human resources and innovative technology with high degree of accuracy and promptness.

2.5 OBJECTIVES

The overall objectives of the Company include carrying out business of manufacturers, dealers and warehousing of chemical fertilizers.

The specific objectives of the Company include:

- a) To supply all types of fertilizers and other agriculture inputs at affordable and competitive prices in the country and beyond.
- b) To produce, import and distribute fertilizers and other agriculture inputs for use within the country and beyond.
- c) To provide relevant expertise, information and advice on issues of production, quality and standards, supply and distribution of fertilizers and other agriculture inputs within the country and beyond.
- d) To participate directly or indirectly in research undertakings by research institutions on fertilizers and other agriculture inputs in the country.

TANZANIA FERTILIZER COMPANY LIMITED

2.6 PRINCIPAL ACTIVITIES OF THE COMPANY

Since the closure of its fertilizer factory in Tanga in 1992, the Company's principal activities have been importing, distributing and selling chemical fertilizers and allied products. Being a government owned entity, it has been involved in the supply of Government subsidy through various fertilizers subsidy policies that the Government has directed.

2.7 BOARD OF DIRECTORS

The names of Directors who served the Company during the year under review and are still members of the board at the date of this report are as follows:

S/N	Name	Position	Qualification	Date of Appointment	Age
1.	Dr. Florens M. Turuka	Chairperson	PhD. In Agricultural Economics	09 November 2021	62
2.	Dr. Godfrey E. Sansa	Member	Ph.D in social and Policy Sciences	09 November 2021	48
3.	Mr. Nuru A. Ndile	Member	MSc.in Economics	09 November 2021	49
4.	Mr. Gaitan F. Mrimi	Member	Masters of Arts in Economics	09 November 2021	56
5.	Mr. Shenal S. Nyoni	Member	MSc.in Agronomy	09 November 2021	59
6.	Ms. Rehema J. Ngalla	Member	Msc. in Agriculture Education & Extension	09 November 2021	59
7.	Ms. Nordia Bahingae	Member	Masters in Business Administration	09 November 2021	55
8.	Mr. Twalib T. Mmbaga	Member	MBA-Agribusiness	09 November 2021	52
9.	Ms. Kanjel S. Mloba	Secretary	Msc. HRM	09 November 2021	53

The Ag. General Manager of the Company served as the Secretary of the board.

At the time of signing this report, the General Manager of Tanzania Fertilizer Company Limited is Mr. Samuel Ahadi Mshote appointed on 01 December 2022.

The number of times the Board met and what was discussed are summarized below;

S/N	Meeting Date	Type	Main Agenda
1.	8 th April 2022	Regular	Discussion and review of audited accounts for the year ended 30 th June 2015,2016,2017 and 2018

The Board has two committees entrusted with specific tasks. The committees are as follows:

- (i) Planning, Investment and Human Resources Committee.
- (ii) Audit, Risk Management and Financial Committee.

TANZANIA FERTILIZER COMPANY LIMITED

(i) Planning, Investment and Human Resources Committee.

S/N	Name	Position	Qualification	Date of Appointment	Age
1.	Mr. Nuru A. Ndile	Chairperson	Msc. In Economics	09.11.2021	49
2.	Dr. Godfrey E. Sansa	Member	Ph.D in Social and Policy Sciences	09.11.2021	48
3.	Ms. Rehema J. Ngalla	Member	Msc. In Agriculture Edc & Extension	09.11.2021	59
4	Ms. Kanjel S. Mloba	Secretary	Msc. HRM	09.11.2021	54

(ii) Audit, Risk Management and Financial Committee.

S/N	Name	Position	Qualification	Date of Appointment	Age
1.	Ms. Nordia Bahingae	Chairperson	Master in Business Administration	09.11.2021	55
2.	Mr. Gaitani F. Mrimi	Member	Masters of Arts in Economics	09.11.2021	56
3.	Mr.S henal S. Nyoni	Member	Msc. in Agronomy	09.11.2021	59
4.	Mr Francis KP Adolf	Secretary	ACPA, MBA	09.11.2021	54

Both the committees, the Planning, Investment and Human Resources and Audit, Risk Management and financial met only once.

2.8 SUMMARY OF ACHIEVEMENTS

The Company's achievements during the year ended 30 June 2022 are summarized as follows:

ITEM	ACTUAL	PLAN	VARIANCE		
	TZS' Mill	TZS' Mill	TZS 'Mill	%	
Sales					
Cost of Sales					
Gross Profit	0	0	-		
Operating Expenses	7,335	1,900	5,435	(5,435)	Unfavorable
Other Income	15,634	10,481	5,153	49	Favorable
Net Profit/(Loss)	8,300	8,581	(281)	3	Unfavorable

TANZANIA FERTILIZER COMPANY LIMITED

2.9 FUTURE DEVELOPMENT

The Company was specified on 17 October 1996 and put under PSRC (whose activities have now been taken over by CHC). However, in July 2003 Government decided to stop the divestiture process and currently the legal process to de-specify the company is on-going. The Company is considering options to expand its activities by restarting manufacturing.

2.10 STATEMENT OF SOLVENCY

Current assets of the Company were lower by TZS 15.24 Billion over current liabilities. The long-term debt of TZS 1.9 billion of from Japanese KRII is expected to be absorbed by the Government following advice by the Public Investment Committee (PIC) during its meeting held on 31 October 2018.

The processes to implement the instruction has started. Thanks to the Government for fulfilling its promise of settling the long-term debt of BADEA.

The current ratio at 30 June 2022 was 0.4:1 (2020/21; 0.22:1). This is because of the intervention of the Government to pay the Exim Bank Loan the principal amount of USD 2,700,000 and the Exim bank foregone all the interest.

2.11 RELATED PARTY TRANSACTIONS

Related party transactions in accordance with the International Financial Reporting Standards for key personnel (Directors and Members of Management) were as follows:

	30.06.22	30.06.21
	TZS	TZS
Directors:		
Fees	-	-
Emoluments	-	-
	-	-
Emoluments to key Management Personnel:		
Salaries	289,873,280	289,873,280
TOTAL	289,873,280	289,873,280

2.12 DONATIONS

No donation was provided in this financial year.

2.13 EMPLOYEES' WELFARE

Health Policy (Medical Expenses)

At the beginning of 2021/22 the Company had a total staff complement of 21 employees. During the period one employee transferred. At the end of the period the Company had 20 employees constituting 5 women and 15 men. An amount of TZS 21,625,750.00 (TZS 12,849,040.00 under administration and establishment expenses and TZS 8,776,710.00 under selling and distribution expenses) was spent on medical treatment for the Company's employees mainly through contribution to National Health Insurance Fund (NHIF).

From February 2021 the government started to pay salaries and related costs via Ministry of Agriculture. During the year under the review, the company spent a total of TZS 68,440,050.00 as employer's contribution payable to Pension Funds (PSSSF).

Training

During the financial year (2021/2022) under the review the Company spent TZS 5,000,000 to finance short term training.

Loans from Higher Institution Student Loan Board (HESLB)

Currently there is only one staff who owes HESLB.

2.14 PERSONS WITH DISABILITIES

The Company is an equal opportunity employer and gives disabled persons opportunities for those vacancies they are able to fill. During the year, no disabled person applied for the employment.

2.15 GENDER BALANCE

The Company is an equal opportunity employer and does not discriminate employees on the basis of gender. It provides equal opportunities to both men and women employees working with the Company and encourages more women to apply for vacant posts whenever they appear.

2.16 CORPORATE GOVERNANCE

In compliance with the principles of good corporate governance, the overall responsibility for management, leadership and authority of the Company is vested in a Board of Directors, under a non-executive Chairman. The General Manager is the Chief Executive Officer responsible for implementing the strategic business programmes and operational plans of the Company. Presented hereunder is the compliance statement of the Company with respect to Corporate Governance. Tanzania Fertilizer Company Limited confirms its commitment to the principles of openness, integrity and accountability as advocated in the generally accepted corporate practices.

2.17 ENVIRONMENTAL PROTECTION

Corporate social responsibility is all about corporations and organizations taking into consideration the interests of society. This is achieved when a corporation accepts responsibility of the impact of their operations on their customers, employees, communities and environment. Tanzania Fertilizer Company Limited is a pollution-free as its distribution of fertilizers does not emit toxic gases or fluids/chemicals.

2.18 GOING CONCERN OF TANZANIA FERTILIZER COMPANY LIMITED

Going Concern Assumption

Management of Tanzania Fertilizer Company Limited believes that the Company will continue to operate for the foreseeable future, with no intention to liquidate the Company or to significantly curtail its operational activities.

It is assumed that the Company will realize its assets and settle its obligations in the normal course of the business.

The following events are relevant to support the existence of the Company:

1. Approval of Turnaround Strategy

The company Board of Directors has approved the Turnaround Business Plan (TBP) in November 2018. The TBP have been prepared to secure Capital worth TZS. 45.00 billion in different form of options, which will enable the Company to trade between 55,500 Metric Tons in season 2018/19 to 203,500 Metric Tons in season 2021/22 in four years and generate the sales revenue that will turnaround the Company to profit making. The Turnaround Business Plan (TBP) was submitted to Treasury Registry and we are waiting for response.

2. Payment of Subsidy Claims of TZS 5.8 billion from the Government

The Government owes the Company the total amount of TZS 4,597,357,139.90 and 1,285,701,705 vouchers with Tanzania Fertilizers Company (TFC) Agents from un-paid claims of Subsidy programs of 2014-2015; 2015-2016; and 2016-2017. The Company believes that the Government is in final touches and is going to settle its obligation. All these measures are expected to improve the cash flows of the company.

Also, Participation in distribution and selling of agrochemicals and quality seeds for cash and food crops, these will facilitate improvement of company cash flow.

2.19 STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor of Tanzania Fertilizer Company Limited (TFC) by virtue of Article 143 of the Constitution of the United Republic of Tanzania, and as amplified in Section 10 of the Public Audit Act, Cap 418.

3.0 STATEMENT OF DIRECTORS' RESPONSIBILITY


The overall management of TFC is vested in a Board of Directors, while the day-to-day affairs are executed by the General Manager. It is the responsibility of the Board of Directors to prepare financial statements of TFC in accordance with International Financial Reporting Standards (IFRS) and its interpretations. It is the responsibility of external auditors to form an independent opinion on those financial statements based on their audit.

The Board of Directors confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30 June 2022.

The Directors are required under the Companies Act, 2002, to keep proper books of account, to prepare financial statements at each financial year end in such manner and detail as to disclose the financial position of the Company, the financial results of its operations during the year and to have the financial statements audited and reported upon by independent auditors.

The Directors also confirm that:

- Suitable accounting policies have been adopted and applied consistently.
- The International Financial Reporting Standards (IFRS) have been adhered to in preparing the financial statements.
- TFC keeps proper books of account and accounting records, which disclose with reasonable accuracy all the financial transactions, assets and liabilities.
- TFC maintains adequate system of internal controls and takes reasonable steps for the prevention and detection of fraud, errors and other irregularities.
- TFC has prepared the financial statements, which the Directors believe reasonably disclose the financial position of the entity.



.....
Dr. Florens M. Turuka
CHAIRPERSON

24/03/2023
.....

DATE

TANZANIA FERTILIZER COMPANY LIMITED

4.0 DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF TANZANIA FERTILIZER COMPANY LIMITED

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

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

I CPA John Majala, being the Head of Finance of Tanzania Fertilizer Company Limited, hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 30 June 2022 have been prepared in compliance with International Financial Reporting Standards (IFRS) and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Tanzania Fertilizer Company Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: Ag. Finance Manager.

NBAA Membership No: ACPA 3092

Date: 

TANZANIA FERTILIZER COMPANY LIMITED

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	NOTE	30.06.2022 TZS	30.06.2021 TZS
ASSETS:			
Non-current Assets			
Property, Plant and Equipment	3	19,461,142,457	19,825,696,995
Intangible Assets	4	14,052,441	12,908,422
		19,475,194,898	19,838,605,417
CURRENT ASSETS			
Stocks and Stores	5	377,317,434	380,730,434
Debtors, and Prepayments	6	299,169,955	6,182,535,943
Cash in Hand and at Bank	7	8,546,122	280,440,786
		685,033,511	6,843,707,163
TOTAL ASSETS		20,160,228,409	26,682,312,580
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	8	553,778,437	553,778,437
Government Fund	9	22,014,043,689	22,014,043,689
Revaluation Reserve	10	24,173,988,251	24,173,988,251
Accumulated Profit/(Loss)		(47,907,884,299)	(56,208,128,418)
		(1,166,073,922)	(9,466,318,039)
Noncurrent Liabilities			
Long term liabilities	11	5,404,291,942	5,404,291,942
Current Liabilities			
Trade and other payables	12	15,922,010,389	16,049,239,186
Short Term Borrowings	13	-	14,695,099,491
Corporation Tax payable			
		15,922,010,389	30,744,338,677
TOTAL EQUITY AND LIABILITIES		20,160,228,409	26,682,312,580



Dr. Florens M. Turuka
CHAIRPERSON



Mr. Samuel Ahadi Mshote
GENERAL MANAGER

DATE: 24/03/2023