



**THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
AUDIT OF FINANCIAL STATEMENTS OF DAR RAPID TRANSPORT  
AGENCY (DART) FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2019**

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March, 2020

AR/DART/2018/2019

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## **Abbreviations**

<b>CAG</b>	Controller and Auditor General
<b>ISSAIs</b>	International Standard of Supreme Audit Institutions
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>PAA</b>	Public Audit Act No.11 of 2008
<b>PAR</b>	Public Audit Regulation, 2009
<b>MDAs</b>	Ministries, Departments and Agencies
<b>PAC</b>	Public Accounts Committee
<b>PFA</b>	Public Finance Regulations, 2001
<b>PPA</b>	Public Procurement Act, 2011
<b>PPR</b>	Public Procurement Regulations, 2013

## 1.0 GENERAL INFORMATION

### 1.1. Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and in Sect. 10 (1) of the Public Audit Act No.11 of 2008.

### 1.2. Vision, Mission and Core Values

#### Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

#### Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

#### Core Values

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

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain high standards of ethical behaviour, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- ✓ **Team work Spirit:** We work together as a team, interact professionally, share knowledge, ideas and experiences.

#### 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 appropriate training, adequate working tools and facilities that promote their independence.

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### **1.3. Audit Objectives**

To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and are prepared in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

### **1.4. Audit Scope**

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system and internal control over various activities of the DART.

The audit was conducted on a sample basis; therefore, the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from the examination of the accounting records, appraisal of the activities as well as evaluation of the Internal Control System which requires management's attention and actions, are set out in the management letter issued separately to the DART.

As an auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However, my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatement in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the DART.

### **1.5. Audit Methodology**

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls.
- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.
- Follow up on the implementation of the previous year's audit findings and recommendations and directives issued by PAC to ensure that proper action has been taken in respect of all matters raised.

## 2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive Officer,  
Dar es salaam Rapid transport agency,  
P.O. Box 724,  
DAR ES SALAAM.

### Report on the audit of Financial Statements for the year ended 30 June 2019

#### Unqualified Opinion

I have audited the accompanying Financial Statements of DART, which comprise the Statement of Financial Position as at 30<sup>th</sup> June, 2019 and the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity the 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 the DART as at 30<sup>th</sup> June, 2019, 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 and in the manner required by the Public Finance Act, 2001 revised 2004.

#### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Dar-es-Salaam Rapid Transport (DART), 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

#### Other Information

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

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

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

#### **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. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

#### **Responsibilities of Management and those charged with Governance for the Financial Statements**

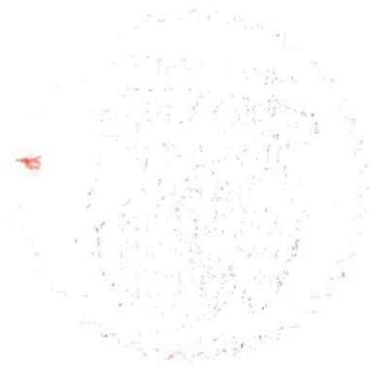
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud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

#### **Auditor's Responsibilities 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 auditor's 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 ISAs 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.

In addition, Sect. 10 (2) of the PAA No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Sect. 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the provisions of the Law and its Regulations.

### **Report on Other Legal and Regulatory Requirements**

#### **Compliance with the Public Procurement Act, 2011 as amended 2016**

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, DART procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.



Charles E. Kichere  
**CONTROLLER AND AUDITOR GENERAL**

31<sup>st</sup> March, 2020

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THE UNITED REPUBLIC OF TANZANIA



PRESIDENT'S OFFICE  
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT



DAR RAPID TRANSIT AGENCY

REVISED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30<sup>TH</sup> JUNE, 2019

Prepared by:-

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DECEMBER, 2019

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## Abbreviations

DART	Dar Rapid Transit
RFQ	Request for Qualification
RFP	Request for Proposal
ROW	Right of Way
TANROADS	Tanzania Roads Agency
SUMATRA	Surface and Marine Transport Regulatory Authority
PPP	Public-private partnership
BRT	Bus Rapid Transit
NSSF	National Social Security Fund
PSPF	Public Service Pension Fund
LAPF	Local Authority Pension Fund
GEPF	General Employees Pension Fund
GIZ	Deutsche Gesellschaft für International Zusammenarbeit
PPF	Parastatal Pension Fund.
PMO-RALG	Prime Minister's Office, Regional Administration and Local Government
PO-RALG	President's Office, Regional Administration and Local Government
IPSAS	International Public Sector Accounting Standard
ISP	Interim Service Provider
KPI	Key Performance Indicator
BOT	Bank of Tanzania
LATRA	Land Transport Regulatory Authority

## STATEMENT BY THE CHIEF EXECUTIVE

The Financial Statements for the 2018/2019 presents the physical and financial status on implementation of activities during the year, the future plans and challenges that the Agency faced during implementation. During the period of reporting, the Agency tackled various issues to achieve its objectives. Almost seven years of preparation and development of Bus Rapid Transit (BRT) infrastructure, the DART Agency managed to start bus operations services along DART System Phase I corridor which is characterized by a modern, efficient and affordable transport for residents of the city of Dar es salaam. Provision of an Interim Service (ISP) which started on 10th May, 2016 was commissioned to UDA Rapid Transit (UDA-RT) who signed a concessional agreement with DART on 24th April 2015.

To prepare for fully fledged operations in the DART system that requires Bus Operator, Fare Collector, and Fund Manager, the Agency in August 2019 advertised Request for Qualification (RFQ) for Bus Operator and Fare Collector under International competitive tender arrangement. The Request for Proposal (RFP) will be advertised after the selection of interested bidders obtained through RFQ evaluation process. The procurement process for Fund Manager is completed and CRDB Bank will be the Fund Manager under full operations arrangement.

The activities under review were financed by the Government, development partner from Germany (GIZ), and World Bank. Other sources of income accrued from access fee, advertisement, parking and toilets along the BRT corridor. There is increase on grants from the Government from TZS 11,461,173,100 in the year 2017/2018 to TZS 31,115,262,845 in 2018/2019 of which TZS. 1,062,369,600 were for Personal Emoluments while TZS 582,070,990 were for other charges and TZS 29,470,822,255 was for development expenditure. Moreover, the World Bank and African Development Bank grants have increased from TZS 2,291,229,571 in year 2017/2018 to TZS 4,085,571,666 in the year 2018/2019. The Agency in the year 2018/2019 also received a grant of TZS 103,957,979 from GIZ.

We appreciate financial support from the Government of Tanzania, German (through GIZ), the World Bank, TANROADS, LATRA (by then SUMATRA), eGA, Treasurer Registrar and all other stakeholders for their support and team work spirit. I believe that our joint effort will continue to enable smooth and efficient operations of Bus Rapid Transit in the City which can reduce poverty, improve living standard and lead to sustainable economic growth. Good performance of the project can as well act as a pioneer of private and public investment partnership in the transport sector in the city.

The Agency is determined to increase the level of mobility, promote the use of non-motorized transport, and meet the ever increasing travel demand so as to ensure orderly flow of traffic on urban streets and roads around the city with ultimate aim of increasing comfort and quality of life and urban development.

*Ronald M. Lwakatare*

Eng. Ronald M. Lwakatare

CHIEF EXECUTIVE

DATE: 30/12/19

# MANAGEMENT REPORT OF THE AGENCY

## 1. INTRODUCTION

The Dar Rapid Transit (DART) Agency was established by GN No.120 of 25<sup>th</sup> May, 2007 under the Executive Agencies Act No. 30 of 1997 and its subsequent amendments. The Agency operates under the guidance of the President's Office, Regional Administration and Local Government (PO-RALG). The Agency was officially launched on 16<sup>th</sup> June, 2008 and aims at achieving the following objectives:

- (i) Establishing and operating a Bus Rapid Transit (BRT) system for Dar es Salaam;
- (ii) Ensuring orderly flow of traffic on urban streets and roads; and
- (iii) Ensuring effective management of the Agency.

The Vision of the Agency is to "have a modern public transport system at reasonable cost to the users and yet profitable to the operators using a high quality capacity buses which meet international standards, environmentally friendly, operating on exclusive lanes, at less travelling time and ensuring user satisfaction". With a Mission of providing quality, accessible and affordable mass transport system and improve urban mobility for the residents of Dar es Salaam which will subsequently, enable poverty reduction, improve living standard and lead to sustainable economic growth and act as a pioneer of private and public investment partnership in the transport sector in the city.

### 1.1 FUNCTIONS OF THE AGENCY

According to the Dar Rapid Transit Agency Establishment Order, of May 2007, the Agency has the following functions:

- (i) Prepare, implement Strategic and Business plans and associated budgets;
- (ii) Implement approved plans, including the achievement of performance targets;
- (iii) Ensure delivery of DART system and services to customers and, on schedule and to the expected standard;
- (iv) Organise and manage all Agency's resources allocated to it efficiently, economically and in accordance with the principles of fairness and equality as outlined in Government policies and Financial Regulations;
- (v) The setting of user tariffs for products and services for the recovery of operational costs plus a reasonable development margin;
- (vi) Prepare Annual Report and Audited Financial Statements in accordance with Public Finance Act and Regulations for submission to the Permanent

Secretary and the Minister for Prime Minister's Office Regional Administration and Local Government;

- (vii) Ensure that all aspects of the management and organisation are kept under review and that they suit DART' business needs best;
- (viii) Ensure the development and implementation of DART system succeed;
- (ix) Negotiate and monitor support provided by donors for implementation of the DART system;
- (x) Appoint and manage effectively employees of the DART in accordance with the Public Service Act and its regulations;
- (xi) Ensure DART system is managed efficiently taking into consideration National Policies and Legal requirement; and
- (xii) Work closely with other key players in the City to ensure better delivery of DART system and services.
- (xiii) The DART Agency Management has the pleasure in submitting the financial statements of the Agency for the year ended 30 June, 2019.

## **2. CORE VALUES**

**Core values of the Agency are as follows;**

- (i) Customer Focus - To have customer driven quality;
- (ii) Innovativeness - To have a philosophy of continuous improvement;
- (iii) Cost Effective - By making it accessible to low-income users, while at the same time profitable for private operators and fundable by the state;
- (iv) Timeliness - To promote timely delivery of services;
- (v) Team Work - To encourage and respect team work spirit among staff;
- (vi) Safety - To promote a safe and secure system;
- (vii) Sustainability - To be a financially self-sufficient system;
- (viii) Environmentally Friendly - To promote reduction of motor vehicle emissions and pollution and
- (ix) Poverty Reduction - To foster economic growth and improve standards of living.

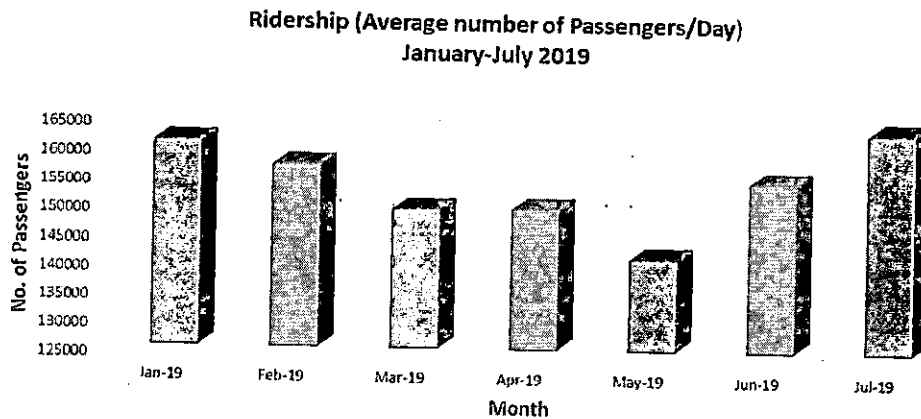


## Annual Implementation Status

During the Financial Year 2018/19 the following were the main activities that were carried out:

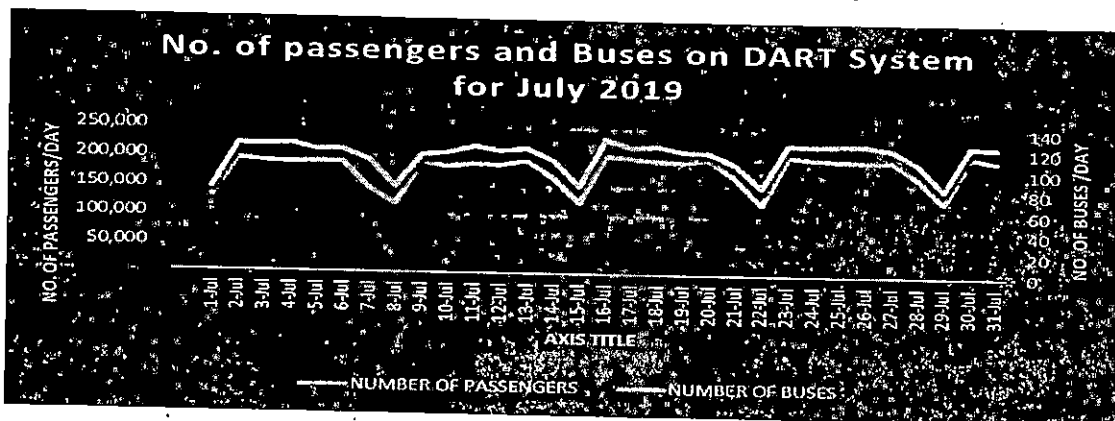
- (i) Management of ISP contract agreement between DART and ISP
  - Appropriate enforcement of the ISP contract
  - Enhancing the transparency and quality of service
  - Monthly ISP contract monitoring KPIs, non-compliance areas and contractual measure taken
  - Monitoring and supervision of ISP services in DART system phase 1 as per ISP contract.

## Average Daily Passenger Ridership on DART System (Jan-June 2019)



There was reduction in daily ridership in the month of May 2018 due to the flooding at Jangwani depot and curtailment of services due to damaged buses. However, the passenger ridership had started to improve from June 2019 onwards.

## Change in Passenger Demand with Change in Bus Deployment



Change in ridership demand with number of buses deployed presents the increasing ridership demand on the system as shown in figure above.

(ii) Provision of Security Services for DART infrastructures

This includes provision of security services for 28 stations, 5 terminals and 3 pedestrian bridges during and after operation hours has been provided by M/S China-Tanzania Security Company Ltd (CTSCL). The security service from CTSCSCL is complemented by intelligent services from the Tanzania Police Forces. Total of 180 security guards from CTSCSCL and 28 from Police Force are deployed daily to ensure the infrastructure, equipments and commuters are safe. Both CTSCSCL and Police Force prepares monthly incident reports as required under their agreement.

(iii) Maintenance of toilet facilities

The Agency conducts both routine and major maintenance of toilet facilities located at Gerezani, Kivukoni, Kimara, Ubungo and Morocco bus terminals. The major repairs have solved the problem of frequent blockages and closing of the toilets.

(iv) Defects on Roads and Carriageways.

In accordance with the Agreement between the Agency and ISP, the Agency is required to provide and keep in good condition bus ways, stations and terminals for smooth bus operations. In order to meet this objective, DART has coordinated the reporting and repair of several damages encountered within the phase 1 system in order to minimize disruptions on the ongoing operations including delays, and damages to the buses etc. Though the infrastructure is new and maintenance requirements are low, reported damages were; broken manhole covers along the stretch from Bibi Titi to Samora Avenue and cracked concrete pavement at Bucha. Other observed defects include minor potholes on mixed traffic lanes, traffic signals not functioning and replacement of street lights.

(v) Inventory of infrastructure.

In order to inform the Agency on the maintenance needs, the Agency has updated an inventory of all infrastructures falling under the jurisdiction of the Agency. The inventory of infrastructure also serves as immediate input in various areas of operations and infrastructure management.

This inventory covers the terminals, pedestrian bridges, stations and the depot. Major components are walls, windows, doors, roof ceiling, roof coverings, gutters, steel columns, water downpipes, toilets, furniture, fittings, finishing, ITC/AFCS systems, directional signage, generators, pedestrian bridges, and security lights. The information contained therein will form a basis for preparation of fare collectors' contract who will also carry out the functions of station management.

(vi) Branding and Visibility (station naming and signage).

Branding and visibility is important element in branding of the Agency. All station naming inherited from the contractor have already replaced with well-articulated station names clearly bearing the Agency logo and colours.

(vii) Managing and supervision of cleaning, wastewater, clean water and wheelchair services at DART terminals.

Kimara, Kivukoni, Morocco, Gerezani and Ubungo Bus terminals are connected to DAWASA clean water supply system. The Agency also provides wheelchair services to the disabled customers to all terminals except Kivukoni and Gerezani because of lack of pedestrian bridges in these two terminals.

(viii) Agency engaged four (4) Engineers Enterm program (SEAP trainee) to support the following:

- Manage the contract related to infrastructure in the DART system
- Manage the contract related to operations in the DART system
- Supervision, Management & Maintenance of Depot & Buses
- The implementation of the BRT services from phase 2 to 6

## 2.1 CHALLENGES AND WAY FORWARD

The following challenges were encountered and the way forward:

### (i) Invasion of DART infrastructure by petty traders, vehicles and motor cycles.

The Agency continued to engage key stakeholders which include the Police, Municipalities, the Regional Commissioner, the Regional Administrative Secretary and District Commissioners in resolving the invasion issue. The Agency is proceeding with education campaign to all stakeholders on proper usage of the DART system.

### (ii) Deterioration of services including delays of buses

The Agency continued to monitor the key performance indicators as stipulated in the ISP Agreement and work with UDART team to performance. UDART repaired buses to increase the number of buses on the road. Follow up was frequently done with Traffic Police to improve flow of buses through junctions. The number of cashiers was increased to reduce congestion at the stations. The Agency is working with the UDART team to ensure performance is improved. Efforts are underway to have a full service with increased feeder routes through a procurement process.

### (iii) Flooding at Msimbazi valley

Flooding in the Msimbazi valley affected Jangwani depot and blocked the normal flow of vehicles. Cleaning of infrastructure (Jangwani depot, bus ways at Msimbazi valley area) after flooding caused by heavy rains was carried out in June 2018 together with frequent desilting of Msimbazi River as one of short term solution. A damaged wall of Jangwani depot by rain water was also restored.

Furthermore, the Government through TANROADS has engaged a Consultant; M/s CDR International B.V. in association with M/s Deltares and M/s Wema Consultants to undertake Hydrological Study, Detailed Engineering Design and Preparation of Tender Documents for flood prevention measures at Jangwani Valley. The assignment involves developing feasible options to be implemented

for safeguarding the bus depot so that it can perform its intended functions. The Consultant is still undertaking its assignment.

Finding the long term solution to floods which have impacted Jangwani depot, the Government of Tanzania through the Dar es Salaam Metropolitan Development Project (DMDP) under the PO-RALG has started implementing strategies to alleviate flooding impacts within Msimbazi River basin by engaging consultants and stakeholders to develop a detailed plan for flood mitigation along Msimbazi plain. The PO-RALG with support and financing from the World Bank (WB) and the Department for International Development (DFID) is coordinating the implementation of the said strategies. As of now, the Consultant has already undertaken the feasibility study for this project known as "Msimbazi Opportunity Plan". The implementation of the project awaits the formation and enactment of a "Project Implementation Unit (PIU)" under Dar es Salaam City Council.

The Agency is also preparing a Preparedness Response Plan for Emergencies such as flooding. A Memorandum of Understanding is now disseminated to the key stakeholders including TANROADS, TANESCO, DAWASA, POLICE, TARURA, Fire Rescue Agency, DARMAERT, TMA, SUMATRA, MUNICIPALITIES, TEMESA and Emergency Medical Services for internalization and signing.

## 2.2 FUTURE PLAN

### 2.2.1 *Financing and Development of DART Phase II - VI Infrastructure*

The construction works of BRT Infrastructure for phase I have been completed and Bus operations started since 10<sup>th</sup> May, 2016 on interim services arrangement.

#### *Development of DART System Phase II*

In October, 2015, the Africa Development Bank (AfDB) signed an agreement with Government of Tanzania to finance construction of BRT phase II infrastructures. The Bank's contribution to the project is 88.9% of the total estimated cost of US \$159.32 million while the Government of Tanzania will provide the remaining 11.1%. Phase II BRT corridor is designed to be along Kilwa Road (from the City centre to Mbagala area) including Sokoine Avenue, (from Zanaki Street to Gerezani round about), Gerezani Street (from Gerezani round about to Nyerere-Msimbazi junction), Bandari Street (from Gerezani round about to Benderatatu), Chang'ombe Road (from Jitegemee round about to Nyerere-Kawawa junction) and South Kawawa road (from Nyerere-Kawawa junction to Kawawa-Morogoro junction) with a total of 20.3km.

The DART System Phase II will involve the construction of BRT infrastructure that includes 20.3 km of exclusive BRT lanes, one bus depot at Mbagala, two bus terminals at Mbagala and Kariakoo Gerezani, five feeder stations at Kwa Azizi Alli, DUCE, Misheni, Zakheim and Mbagala, two fly-overs at the junction between Kilwa and Mandela road and the junction between Chang'ombe and

Nyerere road, twenty-six conventional bus stations and also Non-Motorized facilities. The BRT phase II system is similar to BRT Phase I configuration with bus services running in the middle of the road corridor.

The BRT phase II works have been divided into two separate lots:

**a) Lot 1: Road works (20.3 km roads, 2 flyovers and 26 bus stations)**

The Contractor for Phase 2 Lot 1 is Sinohydro Co. Ltd from China. The contract was signed on 10<sup>th</sup> December, 2018 for a construction period of 3 years which the actual construction works have commenced on 06<sup>th</sup> May, 2019. The Supervising Consultant is M/s BOTEK Bosphorus Technical Consulting Corporation from Turkey in association with Apex Engineering Co. Ltd from Tanzania.

**b) Lot 2: Building works (1 Depot, 2 terminals and 5 feeder stations)**

The Contractor for Phase 2 Lot 2: Building Works is China Civil Engineering Construction Corporation (CCECC). The contract signing was made on 13<sup>th</sup> August, 2018 with contract duration of 2 years. The actual construction works have commenced on 01<sup>th</sup> March, 2019. The Supervising Consultant is M/S Inter-Consult Ltd from Tanzania.

**Development of DART System Phase III**

DART Agency collaborated with TANROADS to supervise the design review for Phase 3 infrastructure undertaken by the Consultants; M/s DOHWA Engineering Co. Ltd and UNITEC Civil Consultants Ltd. The design review reports have been finalized and submitted by the Consultant. The reports are now being verified for approval in order to seek No-objection to the World Bank for the procurement for Contractors to take-off. Phase 3 infrastructure include 23.6km of exclusive bus lanes, 3 bus terminals at Kariakoo, Airport and Gongolamboto, 1 bus depot at Gongolamboto, 3 feeder stations at Rozana, Jet Club and Banana, 32 convectional bus stations, 5 pedestrian bridges and non-motorized facilities.

**Development of DART System Phase IV, V and VI**

Phase 4 covers 25.9km with the corridor runs along Sam Nujoma, Ali Hassan Mwinyi and Bagamoyo roads to Tegeta. The Consultants; Kunhwa Engineering & Consulting Co. Ltd from Korea has been procured to undertake feasibility study and detailed engineering design and commenced the assignment since May, 2019. The same Consultant; Kunhwa Engineering & Consulting Co., Ltd was procured to undertake the feasibility study and detailed engineering design of DART system phase 5. The assignment is on progress since July, 2018. Its

corridor runs along Mandela road from Ubungo through TAZARA to Uhasibu connecting the road to Dar es Salaam port and it also include part of Kigogo and Tabata road. The corridor for DART system Phase 6 covers a total of 27.6 km of Mwai Kibaki road and another new road. These new corridors will be confirmed later by the Consultant; Logit Engenharia Consultiva Ltd from Brazil who is updating demand study for the entire BRT network in Dar es Salaam city. The procurement for the design Consultant for Phase 6 has not commenced.

### **2.2.2 Valuation and Verification for Compensation of PAPs for DART System Phase II and III**

The Agency has received all the compensation funds for Phase 2 from the Government amounting to TZS 34,199,451,962 by the end October, 2018. DART Agency formed the compensation payments committees which made final verification of compensation documents to PAPs before effecting the compensation payments which started on 5th November, 2018. All PAPs have been sensitized for compensation however, some PAPs have delayed to be compensated due to conflicts on land ownership and probate with documentations. The Regional Commission committee is the one which is working on resolving the existing conflicts among the property owners. A total of TZS 30,015,408,511 has been paid to 88 out of 104 PAPs. The already paid PAPs for Mbagala BRT terminal and depot area cover 76,805sqm which equals to 82% of the total area of 97,216sqm with 20,411sqm still uncompensated. The other funds will be paid to PAPs after their cases are resolved.

For Phase 3, the Agency undertook the verification of compensation details with the essence to exclude the impacted properties by the Standard Gauge Railway (SGR) project from the original valuation report. The verified report has been submitted and approved by the Government Chief Valuer. The Ministry of Finance and planning (MoFP) released TZS 5,271,370,293.42 on April 2019 for compensation of PAPs. The payment of compensation funds to PAPs commenced on July, 2019.

### **2.2.3 Implementation Park and Ride at Kimara**

DART Agency and TANROADS Dar es Salaam Region agreed on the modality to implement the Park and Ride whereby the DART Agency in collaboration with TBA and the Institute of Transportation (ITDP) is currently preparing the conceptual and detailed layout design which will be submitted to TANROADS for implementation. TANROADS will seek and engage investors for the construction of the parking according to the respective proposal and manage its operations. TANROADS has already engaged an operator on temporary basis provide parking services at Kimara.

### **2.2.3 Environmental and Social Impact Assessment for DART system Phase II and III**

The undertaking of Environmental and Social Impact Assessment (ESIA) for BRT phase 2 and 3 was commissioned to the Environmental BENCHMARK Consulting Engineers of Tanzania. After the Consultant finalized the ESIA report, the Agency submitted it to NEMC for approval on May, 2017. Based on the approval procedures, the report was then discussed in the Technical Advisory Committee (TAC) held June, 2017 which also raised comments for incorporation in the final ESIA report. The Agency incorporated the comments and submitted the final ESIA report to NEMC on March, 2018 for approval and issuing of Environmental Certificate. NEMC has approved the report and issued the Environmental Certificate for BRT Phase 2 and 3 on May, 2018.

### **2.2.4 Challenges**

The implementation of activities has been facing a number of challenges including the following:

#### **i. Impact of SGR Project to the Proposed BRT Phase III Terminal at Gongo**

##### **la Mboti**

The Standard Gauge Railway (SGR) Project right of way has affected almost 60% of the land identified at Gongolamboto for BRT Phase III terminal, feeder station and park & ride facilities hence the remained land is unsatisfactorily. The Agency has explored alternative sites for the depot whereby further arrangements are being made with the Tanzania Airport Authority (TAA) and the Military land at Gongolamboto to acquire part of their land for the bus depot.

#### **ii. Phase II flexible vs rigid pavement**

Following DART Agency concern over asphalt vis a vis concrete BRT Lane construction, the last supervising mission the AfDB made a clear position that the Bank have set aside funds for flexible pavement, however the rigid pavement alternative is not objected provided that the Government of Tanzania should cover for the additional cost. For easy implementation of this option an alternative Bill of Quantities (BOQ) for the rigid pavement has been introduced in the bidding documents. The decision to either to use flexible or rigid pavements will be made by the Government after evaluation of the received bids.

## 2.5 BUDGET PERFORMANCE COMPARISON

### 2.5.1 SUMMARY OF FINANCIAL PERFORMANCE 2017/18 AND 2018/19.

The following is the Summary of actual funds received during Financial 2017/18 & 2018/19

S/N	Sources of fund	Amount (TZS) 2018/19	%	Amount (TZS) 2017/18	%
1.	Recurrent PE & OC	1,651,662,227	4	1,461,173,100	8
2.	Development Grants (WB & ADB)	3,763,264,285	9	2,291,229,571	13
3.	Development Grants (GIZ)	103,957,979	0.3	0	0
4.	Other Revenue	0	0	3,655,000	0.03
5.	Development Funds (Government)	29,470,822,255	74	10,000,000,000	56
6.	Own Source	4,915,064,614	12	4,234,932,195	24
	<b>TOTAL</b>	<b>39,904,771,360</b>	<b>100</b>	<b>17,990,989,866</b>	<b>100</b>

The following is the Summary of Funds spent during Financial 2017/18 & 2018/19

S/N	Sources of fund	Amount (TZS) 2018/19	%	Amount (TZS) 2017/18	%
1.	Recurrent PE & OC	1,651,662,227	4	13,474,853,532	85
2.	Development Grants (WB & ADB)	3,763,264,285	9	2,291,229,571	15
3.	Development Grants (GIZ)	11,393,067.00	0.03	0	0
4.	Development Funds	30,015,408,511	75	0	0
5.	Own Source	4,415,381,195	11	0	0
	<b>TOTAL</b>	<b>39,857,109,285</b>	<b>100</b>	<b>15,766,083,103</b>	<b>100</b>

## 2.6 SUSTAINABILITY OF THE AGENCY

The Agency operates under the guidance of the President's Office, Regional Administration and Local Government - (PO-RALG). As such it receives its fund from normal Government budget to meet both recurrent and development expenditure. On the other hand, the Agency has training program for its staff, in order to equip them with appropriate knowledge. The agency also collaborates with all stakeholders in its day to day operations.



## **2.7 EMPLOYEES WELFARE**

There were continued good relation between employees and management for the year 2018/19. All major decisions affecting employees were discussed in the management meetings. To allow employees unity, mobilization and togetherness at work place the Management of DART Agency have entered into a contract to form workers' council, after meeting all the required qualification which includes having workers association where by TUGHE branch is formed with more than 20 members.

## **2.8 CAPACITY BUILDING TO STAFF AND STAKE HOLDERS.**

The operationalization of DART phase 1 project is now in the third year of operation. The DART organizational structure is at the final stage waiting for Chief Secretary Approval. Currently the AGENCY has sufficient staff except few staff of technical area, such as Quantity Surveyor Engineer and Environment Engineer. Thus the Agency is striving to acquire those professions for the smooth running of the project.

Also Staff from different departments and sections has been facilitated to attend short courses in various areas which have enhanced them with required skills and knowledge.

### 3.0 FINANCIAL REPORT

#### 3.1 INTRODUCTION

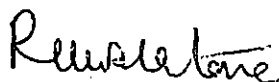
This part covers the statement of Management responsibility, commentary to the financial statement, statement of declaration of head of finance and business development, and financial statements for the year ended 30<sup>th</sup> June 2019.

#### 3.2 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30TH JUNE, 2019

Section 25(4) of the Public Finance Act 2001, as revised in 2004, requires management to prepare Financial Statement for each financial year, which gives a true and fair view of receipts and payments of the reporting entity as at the end of the financial year. It also requires management to ensure the reporting entity keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the reporting entity. They are also responsible for self-guarding the assets of reporting entity.

Management accepts responsibility for the annual Financial Statement, which have been prepared using appropriate accounting policies supported by reasonable judgments and estimates, in conformity with the Accrual Basis International Public Sector Accounting Standards (IPSAS). Financial Reporting under the Accrual Basis of Accounting, and in the manner required by the Section 25(4) of the Public Finance Act 2001. Management is of the opinion that the Financial Statement gives a true and fair view of the state of the financial affairs of the reporting entity. Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statement, as well as adequate systems of the internal financial control.

Management is responsible for safe guarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities. To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that records and underlying accounts provide a reasonable basis for the preparation of the financial statements, the information it contains, and its compliance with the Public Finance Act 2001 and instructions from the treasury. Procurement of goods, works, consultancy and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act No. 9 of 2011. Nothing has come to the attention of the management to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.



Eng. Ronald M. Lwakatare  
CHIEF EXECUTIVE OFFICER

DATE: .....02/01/2020


### 3.3 STATEMENT OF DECLARATION OF THE HEAD OF FINANCE

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

It is the duty of a Professional Accountant to assist the Board of Directors/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 Management as under Management statement of Responsibility on an earlier page.

I, **RAMADHANI NASSORO KIHADALA** being the Acting Head of Finance and Business Development of DART Agency hereby acknowledges my responsibility of ensuring that financial statements for the year ended 30<sup>th</sup> June, 2019 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 the DART Agency as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: **Ag. Director of Finance and Business Development**

NBAA Membership No.: GA 4586

Date: ..... 08/01/2020 .....

### 3.4 COMMENTARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2019

Commentary on the financial statement explains the key Management information, Ministerial Advisory Board, Audit Committee, Income and Expenditure of the DART Agency. Management commentary is a narrative report that provides a context within which the financial position, financial performance and cash flows of DART agency can be interpreted. The Agency operation or the interim service and preparation of procurement contracts for phase II and III as per MOU with TANROADS. The Agency is led by the Chief Executive and assisted by the Management team as listed below;

#### 3.4.1 MANAGEMENT TEAM

The management Team of the Agency constitutes the Chief Executive, four Directors, and four Managers who are:

SN	NAME	DESIGNATION
1	Eng. Ronald Lwakatare	Chief Executive
2	Eng. Dr. Philemon Mzee	Ag. Director of Operations and Infrastructure Management
3	Ms Hazina Mfinanga	Ag. Director of Admin, Human Resource and communication
4	Eng. Charles Ogare	Director of Transportation and Development
5	CPA Ramadhani Kihadala	Ag. Director of Finance and Business Development
6	Adv. Domina Madeli	Legal Services Manager
7	Ms. Scholastica Ndilanha	Ag. Procurement manager.
8	Ms. Christina Ng'ondi	Internal Auditor
9	Mr. Ng'wanashigi Gagaga -	ICT Manager
10	Mr. William Gatambi -	Public Relation Manager

Some of the Agency's Management team members who were present in the financial year that end 2018/19 are currently no longer DART employees following receiving normal transfer from the government to other institutions. These members are from Directorate of Administration, Human Resource and Communication, Finance and Business Development and Procurement Unit.

#### Ministerial Advisory Board

The Agency Heading by the Ministerial Advisory Board (MAB), however their time has expired and the new MAB members are yet to be appointed.

## Audit Committee Members

The Committee is responsible for reviewing and guiding financial matters and Audit issues especially on value for money and good governance. The Audit Committee Team was appointed and started their tenure of office on 01<sup>st</sup> July, 2016 the committee comprise of the following team members:-

NAME	DESIGNATION	STATUS
Eng. Mohamed A. Ntunda	Head of Monitoring and support-TANROADS - HQ DSM	Chair person
Mr. William V. Gatambi	Public Relations Manager- DART	Member
Eng. Amin N. Mcharo	Assist. IAG-MOFFP	Member
Eng. Fanueli Kalugendo	System Planning & Design Manager	Secretary
Mrs. Renata C. Ndege	Chief Finance Officer	Member

### 3.4.2 Grants received

The Agency received an Exchequer amounting to TZS. 31,122,484,482 for salaries, other charges and Development expenditure, TZS 4,085,571,666 from World Bank and TZS 103,957,979 from GIZ for consultancy, capacity building and incremental costs.

### 3.4.3 Personnel Emoluments

Amount paid by the Agency as Personnel Emoluments for pensionable and non-pensionable amounts to TZS. 1,155,901,385 (note 11)

### 3.4.4 Supplies and Consumables

The Agency has incurred TZS. 7,579,661,120 for communication, office supplies, hospitality expenses, advertisements, utilities, rent, diesel and maintenance of motor vehicles and consultancy service (note 12)

### 3.4.6 Finance Costs

During the year 2018/2019, the Agency has incurred TZS 23,632,076 for bank charges and other bank expenses (note 14).

### 3.4.7 Contingent Liabilities

The Agency has three pending cases, the first one is Land Case No. 22 of 2019 between Edis Mlingi (plaintiff) and The Agency (respondent) which is pending in the High Court, The second case is Land Case No. 458 of 2017 between Athuman Mbelwa Moshiwa (plaintiff) versus DART Agency (respondent) which is pending in the High Court and the third is case No. 01 of 2019 between Maxcom Africa

(plaintiff) DART Agency (respondent) However the third case has been withdrawn by the court on fourth August 2019, where the court ruled in favor of the Agency. On the other two cases, the Agency did not set aside any fund as contingent because it is confident that the outcome of the cases will be in favors of the Agency.

### 3.4.8 Auditors

The Controller and Auditor-General (CAG) is the statutory Auditor for the Agency pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2000), Section 9 - 12 of the Public Audit Act, 2008, Section 30(1) sub sect (a) and sub sect (b) of the Public Finance Act No 6 of 2001 (revised 2004).

*Ronald M. Lwaka*

Eng. Ronald M. Lwaka

CHIEF EXECUTIVE OFFICER

DATE:.....28.01.2020..

THE UNITED REPUBLIC OF TANZANIA  
PRESIDENT'S OFFICE-REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
DAR RAPID TRANSIT AGENCY  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

ASSETS	NOTES	Restated 2018/2019 TZS	2017/2018 TZS
<b>Current assets</b>			
Cash and cash equivalents	15	11,388,280,523	11,548,638,671
Receivables and prepayments	16	4,959,056,269	3,866,657,231
Inventories	17	52,866,109	52,760,544
		<u>16,400,202,901</u>	<u>15,468,056,446</u>
<b>Non-current assets</b>			
Property, plant and equipment	18	125,760,347,350	99,293,817,099
Intangible assets	19	7,669,348	15,336,395
		<u>125,768,016,698</u>	<u>99,309,153,494</u>
<b>TOTAL ASSETS</b>		<u>142,168,219,599</u>	<u>114,777,209,940</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	21	1,012,293,380	1,042,578,372
Employee benefits	22	23,280,000	94,330,020
Deferred income (Grant)	9	95,549,337	1,052,942,839
		<u>1,131,122,717</u>	<u>2,189,851,231</u>
<b>Non-current liabilities</b>			
Deferred income (Grant)	9	-	102,539,200,439
		<u>-</u>	<u>102,539,200,439</u>
<b>TOTAL LIABILITIES</b>		<u>1,131,122,717</u>	<u>104,729,051,670</u>
<b>NET ASSETS</b>		<u>141,037,096,880</u>	<u>10,048,158,269</u>
<b>Financed by;</b>			
Capital Grant		136,377,404,729	-
Accumulated Surplus		4,659,692,151	10,048,158,269
<b>TOTAL NET ASSETS</b>		<u>141,037,096,880</u>	<u>10,048,158,269</u>

The financial statements were authorised for issue by the Ministerial Advisory Board on 24/09/2019 and were signed on its behalf by:-

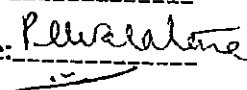
Name: CPA Ramadhani Kihadala

Title: Ag. DFBD

Signature: 

Name: Eng. RONALD M. LWAKATARE

Title: CE

Signature: 

**THE UNITED REPUBLIC OF TANZANIA**  
**PRESIDENT'S OFFICE-REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**  
**DAR RAPID TRANSIT AGENCY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019**

REVENUE	NOTES	2018/2019 TZS	2017/2018 TZS
Revenue from exchange transactions	8	6,330,330,770	5,208,774,226
Revenue from non-exchange transactions	9	5,745,642,535	7,779,508,268
Other Revenue	10	-	3,655,000
		<u>12,075,973,305</u>	<u>12,991,937,494</u>
<b>EXPENSES</b>			
Wages, salaries and employee benefits	11	2,314,749,135	2,350,972,284
Supplies and consumables	12	7,576,676,695	4,803,007,420
Depreciation and amortization	13	4,234,942,321	4,152,415,388
Finance cost	14	23,632,076	1,124,579
		<u>14,150,000,227</u>	<u>11,307,519,671</u>
Share of associates surplus/(deficit)		-	-
<b>Surplus/(deficit) during the year</b>		<u>(2,074,026,922)</u>	<u>1,684,417,823</u>

The financial statements were authorised for issue by the Ministerial Advisory Board on 24/09/2019 and were signed on its behalf by:-

Name: CPA Ramadhani Kihadala

Title: Ag. DFBD

Signature: 

Name: Eng. RONALD M. LWAKATARE

Title: CE

Signature: 



**THE UNITED REPUBLIC OF TANZANIA**  
**PRESIDENT'S OFFICE-REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**  
**DAR RAPID TRANSIT AGENCY**  
**CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

	2018/2019	2017/2018
	TZS	TZS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Revenue from exchange transactions	4,912,464,614	4,221,282,195
Revenue from non-exchange transactions	5,020,498,981	3,165,547,455
Other Revenue	2,600,000	17,305,000
<b>Total Receipts</b>	<u>9,935,563,595</u>	<u>7,404,134,649</u>
<b>Payments</b>		
Employee costs	(3,126,792,591)	(2,302,650,332)
Payments to suppliers	(2,619,610,417)	(1,439,610,843)
Maintenance Expenses	(1,526,818,101)	(520,208,363)
Administrative Expenses	(2,098,075,874)	(2,740,850,352)
<b>Total Payments</b>	<u>(9,371,296,984)</u>	<u>(7,003,319,890)</u>
<b>Net Cashflows From Operating Activities</b>	<u>564,266,611</u>	<u>400,814,760</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant, and equipment & investment properties	(30,693,805,525)	(342,965,725)
Advance payment	-	(36,110,227)
Development grants received	29,969,180,765	10,000,000,000
<b>Net cashflows from investing activities</b>	<u>(724,624,760)</u>	<u>9,620,924,048</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Development grants received	-	-
<b>Net cash used in financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<u>(160,358,148)</u>	<u>10,021,738,808</u>
<b>Net foreign exchange difference</b>	-	-
<b>Cash and cash equivalents at beginning of period</b>	<u>11,548,638,671</u>	<u>1,526,899,863</u>
<b>Cash and cash equivalents at end of period</b>	<u>11,388,280,523</u>	<u>11,548,638,671</u>

The financial statements were authorised for issue by the Ministerial Advisory Board on 24/09/2019 and were signed on its behalf by:-

Name: CPA Ramadhani Kihadala

Title: Ag. DFBD

Signature: 

Name: Eng. RONALD M. LWAKATARE

Title: CE

Signature: 


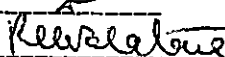
**THE UNITED REPUBLIC OF TANZANIA**  
**PRESIDENT'S OFFICE-REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**  
**DAR RAPID TRANSIT AGENCY**  
**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019**

	Capital Grant TZS	Accumulated Surplus/Deficit TZS	Total TZS
Balance as at 30th June, 2017	-	8,346,799,010	8,346,799,010
Prior Year Adjustment (Understated employees cost)	-	16,941,436	16,941,436
<b>Balance as at 30th June 2017 (Restated)</b>	-	<b>8,363,740,446</b>	<b>8,363,740,446</b>
Surplus/(Deficit) for the year	-	1,684,417,823	1,684,417,823
<b>Balance as at 30th June, 2018</b>	-	<b>10,048,158,269</b>	<b>10,048,158,269</b>
Prior Year Adjustments			
-Overestimated amortized income in prior years		(3,314,439,195)	(3,314,439,195)
-BRT lanes, Stations and terminals handed to the Agency	106,906,582,474	-	106,906,582,474
<b>Balance as at 30th June 2018 (Restated)</b>	<b>106,906,582,474</b>	<b>6,733,719,074</b>	<b>113,640,301,547</b>
Additional Capital			
-Receipts for fund used for acquisition of new land areas for construction of BRT project -Phase II	29,470,822,255	-	29,470,822,255
Surplus/(Deficit) for the year	-	(2,074,026,922)	(2,074,026,922)
<b>Balance as at 30th June, 2019</b>	<b>136,377,404,729</b>	<b>4,659,692,151</b>	<b>141,037,096,880</b>

The financial statements were authorised for issue by the Ministerial Advisory Board on 24/09/2019 and were signed on its behalf by:-

Name: CPA Ramadhani Kihadala  
Name: Eng. RONALD M. LWAKATARE

Title: Ag. DFBD  
Title: CE

Signature:   
Signature: 

**THE UNITED REPUBLIC OF TANZANIA**  
**PRESIDENT'S OFFICE-REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**  
**DAR RAPID TRANSIT AGENCY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019**

	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCES
	{A}	{B}	{A+B}	{C}	{A+B-C}
REVENUE	2017/2018	2017/2018	2017/2018	2018/2019	
Levies	270,000,000	-	270,000,000	126,952,600	143,047,400
Fees, fines, penalties and licenses	9,706,569,196	-	9,706,569,196	4,785,512,014	4,921,057,182
Other Revenue	20,000,000	-	20,000,000	2,600,000	17,400,000
Recurrent grants	5,141,570,312	-	5,141,570,312	5,020,498,981	121,071,331
Development grants	10,498,358,510	29,470,822,255	39,969,180,765	29,969,180,765	10,000,000,000
<b>Total Revenue</b>	<b>25,636,498,018</b>	<b>29,470,822,255</b>	<b>55,107,320,273</b>	<b>39,904,744,360</b>	<b>15,202,575,913</b>
<b>EXPENSES</b>					
Employee costs	3,843,062,853	-	3,843,062,853	3,126,792,591	716,270,262
Supplies and consumables used	4,739,134,359	-	4,739,134,359	2,619,610,417	2,116,539,517
Maintenance Expenses	3,650,186,156	-	3,650,186,156	1,526,818,101	2,123,368,055
Administrative Expenses	2,754,114,650	-	2,754,114,650	2,098,075,874	656,038,776
Acquisition of property, plant, and equipment & investment properties	10,650,000,000	29,470,822,255	40,120,822,255	30,693,805,525	9,427,016,730
<b>Total Expenses</b>	<b>25,636,498,018</b>	<b>29,470,822,255</b>	<b>55,107,320,273</b>	<b>40,065,102,508</b>	<b>15,039,233,340</b>
<b>Deficit for the period</b>	-	-	-	<b>( 160,358,148 )</b>	-
<b>Beginning cash for the year 2017/2018</b>				<b>11,548,638,671</b>	
<b>Net cash flow</b>				<b>11,388,280,523</b>	

**THE UNITED REPUBLIC OF TANZANIA  
PRESIDENT'S OFFICE  
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
DAR RAPID TRANSIT AGENCY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2019**

**1.0 GENERAL INFORMATION AS AT 30 JUNE, 2019**

The Dar Rapid Transit (DART) Agency is one among of the institutions charged under the President's office Regional Administration and Local Government (PO-RALG). It was established under then Prime Minister's Office Regional Administration and Local Government (PMO-RALG) by Establishment Order issued through Government Notice Number 120 of 25th May 2007 made under the Executive Agencies Act Number 30 of 1997. The agency is mandated to perform the following functions, establish and operate Bus Rapid Transit (BRT) system in the city of Dar es Salaam, ensure orderly flow of traffic on urban streets and roads; and ensure effective management of the Agency. DART Services were inaugurated on 25th January 2017.

**PRINCIPAL PLACE OF BUSINESS**

Ubungo Maji,  
Morogoro Road  
P. O. Box 724, Tel: +255 22 2700486/280  
**DAR ES SALAAM - TANZANIA.**

**Fax:** +255 22 2700603  
**E-mail:** info@dart.go.tz  
**Website:** www.dart.go.tz

**BANKERS**

CRDB Bank PLC,  
Azikiwe Premier Branch, B.W. Mkapa Towers-Azikiwe Street  
P. O. Box 9531,  
**DAR ES SALAAM - TANZANIA.**

National Micro Finance Bank,  
Bank house Branch,  
Samora Avenue,  
P.O. Box 9031,  
**DAR ES SALAAM - TANZANIA.**

**LAWYER**

Adv. Domina Madeli  
Ubungo Maji,  
Morogoro Road,  
P. O. Box 724,  
**DAR ES SALAAM - TANZANIA.**

**AUDITORS**

The Controller and Auditor General  
The National Audit Office  
P. O. Box 9080  
**DAR ES SALAAM - TANZANIA.**

## **2.0 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

### **2.1 BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest shillings.

### **2.2 STATEMENT OF COMPLIANCE**

The financial statements of the Agency have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of Accounting, and comply with the Public Finances Act, 2001 as amended in 2004, and Accounting Circular no. 6 on the preparation of financial statements and other financial reports and closure of the financial year 2018/19 issued by Ministry of finance and Planning.

### **3.0 AUTHORISATION DATE**

The Financial Statements of the Agency has been authorized on 23.09.2019

### **4.0 REPORTING ENTITY**

The reporting entity is Dar Rapid Transit (DART) Agency which was established by GN No.120 of 25<sup>th</sup> May, 2007 under the Executive Agencies Act No. 30 of 1997 and its subsequent amendments.

### **5.0 GOVERNMENT BUSINESS ENTITIES**

The Dar Rapid Transit (DART) Agency operates under the guidance of the President's Office, Regional Administration and Local Government (PO-RALG). The Agency was officially launched on 16<sup>th</sup> June, 2008.

## **6.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

### **6.1 ACCOUNTING POLICIES**

The accounting policies adopted are consistent with those of the previous financial year.

#### **6.1.1 Revenue classification**

The Agency classifies its revenue into exchange and non-exchange transactions

##### **Exchange transactions**

These are transactions in which the Agency receives assets or services, or has liabilities extinguished, and directly give approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Revenue from exchange transactions for the Agency includes fees from permit on billboard and posters, fines and penalties, Access Fees, Levies, and parking fees

### **Non-exchange transaction**

In a non-exchange transaction, the Agency either receives value from another entity without directly receiving approximately equal value in exchange. Grants from the government and donors are the main revenue from non-exchange transactions.

### **6.1.2 Revenue Recognition**

Revenue comprises of the fair value of grants received from the government and other donors, fees charged on services rendered to the customers such as parking fees, access fees, levies and fees from permits on billboard and posters rentals.

Revenue is recognized as follows:

#### **Parking fees**

Revenue is recognized when the cash is received from the customers for the usage of the Agency's parking lots in designated areas.

#### **Access fees:**

Revenue is recognized for the usage of BRT infrastructures (BRT lanes, stations and terminals) by the bus operator

#### **Permit and billboard fee**

Revenue is recognized for the usage of BRT infrastructures (pedestrian's bridges, stations and terminals) by the advertising companies.

#### **Fines and Penalties**

These are imposed to the customer's failure to comply with contract terms, and also for the parties damaging BRT infrastructure. For contractual customers, revenue is recognized when the customer fails to comply with the contract terms, however, for non-contractual parties, revenue is recognized when the cash is received.

#### **Levies:**

Revenue is recognized when the cash is received from the customers for the usage of toilet services.

#### **Government Subvention:**

Subvention comprises of funds received from Treasury to cater for Personal emoluments (PE)/employees' salaries and other operational costs. These are unconditional and therefore are recognized and credited to the statement of financial performance in the period in which they are received.

## **Grants:**

Grants comprises of grants from Treasury and World Bank.

(i) Grants from Treasury: These are issued to the Agency, the funds are released as per approved budget; the amounts are recognized when received.

(ii) Grants from World Bank: These are received from the World Bank and are recognized in the period in which they are received.

### **Amortization of Grants**

The grants have been recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Therefore the revenue is amortized to the extent to which condition has been fulfilled.

In previous years, the Agency used to amortize only the depreciation portion of the asset cost instead of total cost of the asset purchased, thereby ending to cumulatively underestimating the sums amortized grant.

During the year 2018/2019, management reclassified acquired BRT lanes, stations and terminals that were handed over by TANROADS in prior years. However, these assets were initially posted as Differed grant income. Also the Agency, used to amortize the only depreciation portion on received capital grants, in prior years, contrary to the newly issued government guidance that require all amount to be amortized. Both effects have caused amortized amount to be overstated by TZS 3,314,439,195 in prior years, which then restates the opening balances in 2018/2019.

### **6.1.3 Interest income**

Interest Income is an income from the interest earned on cash temporarily held in fixed deposits, call account deposits, or purchase of the treasury bill. The Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### **6.1.4 Presentation of the budget information**

The financial statements in conformity with IPSAS 24 requires management of a public sector entity to show comparison of budget amounts arising from execution of the budget to be included in the financial statements of the entity which are required to, or elect to, make publicly available their approved budget for which they are, therefore, held publicly accountable. The Agency prepares its financial statements clearly indicating the actual expenditure in comparison with the approved budgetary provisions and in so doing fully complies with this standard. The statement of comparison of budgeted and actual amounts has been presented using cash basis of accounting.

## Explanations of Difference

	FINAL BUDGET 2017/2018	ACTUAL ON COMPARABLE BASIS 2018/2019	PERFORMANCE DIFFERENCES	% Diff	Explanations
<b>REVENUE</b>					
Levies	270,000,000	126,952,600	143,047,400	53%	The fall is mainly caused by Closure of toilets at Gerezani leaving space for Phase II construction, this was budgeted before unknowingly.
Fees, fines, penalties and licenses	9,706,569,196	4,785,512,014	4,921,057,182	51%	The budget projections assumed that by 2018/2019 the other SP will have been procured and the services will be at full-fledged service, however that has not occurred yet hence causing this difference.
Other Revenue	20,000,000	2,600,000	17,400,000	87%	The Agency projected that more tenders will be sold by the year 2018/2019 following assumptions of full operational which has not yet amounted, as explained in above point.
Recurrent grants	5,141,570,312	5,020,498,981	121,071,331	2%	Not material
Development grants	39,969,180,765	29,969,180,765	10,000,000,000	25%	Relates to monies received for compensation of resident's houses and properties in areas passed with BRT project. The balance was not released by the Government
<b>EXPENSES</b>					
Employee costs	3,843,062,853	3,126,792,591	716,270,262	19%	Transfer of employees to other Government institutions resulted to the reduced costs
Supplies and consumables used	4,739,134,359	2,619,610,417	2,119,523,942	45%	The Agency, has been cutting down costs and only allows expenditures that are value for money to the Agency
Maintenance Expenses	3,650,186,156	1,526,818,101	2,123,368,055	58%	The reduction was caused by the guidance addressed to use identified government agency like TEMESA for the maintenance of Agency's properties including vehicles
Administrative Expenses	2,754,114,650	2,098,075,874	656,038,776	24%	The Agency, has been cutting down costs and only allows expenditures that are value for money to the Agency
Acquisition of property, plant, and equipment & investment properties	40,120,822,255	30,693,805,525	9,427,016,730	23%	The budgeted fund for compensations to PAPs were not released by the Government



## **6.3 Accounting Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. In the process of applying the Agency's accounting policies, management has made estimates, in the determination of the useful lives

## **7.0 Disclosures**

### **7.1 Contingent Liability**

The Agency has three pending cases. The first one is Land case No. 22 of 2019 between Edis Mlingi (plaintiff) and The Agency (respondent) which is pending in the High Court, The second case is Land Case No. 458 of 2017 between Athuman Mbelwa Moshiwa (plaintiff) versus DART Agency (respondent) which is pending in the High Court and the third is case No. 01 of 2019 between Maxcom Africa (plaintif) DART Agency (respondent). However the third case has been withdrawn by the court on fourth August 2019, where the court ruled in favor of the Agency. On the other two cases, the Agency did not set aside any fund as contingent because it is confident that the outcome of the cases will be in favors of the Agency.

### **7.2 Preparation of Cash flow**

DART Agency operates with the support from World Bank. Other operating expenditures according to MOU between DART and TANROADS are being paid through TANROADS Accounts and at the end of the financial year the Agency recognizes that expenditure by passing journal entries into respective expenditure category.

### **7.3 Foreign currency translation**

#### **7.3.1 *Functional and presentation of foreign currency***

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

#### **7.3.2 *Transactions and balances***

Foreign currency transactions are translated into Tanzanian Shillings using the BOT 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 recognized in the statement of financial performance.

## 7.4 Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash at banks, in hand and short-term deposits. Cash and cash equivalents are the most liquid assets which are readily convertible into cash, such as Treasury bills, fixed deposits and deposit in call accounts. Cash equivalents are distinguished from other investments through their short-term existence; they mature within 3 months and an important condition which should be satisfied is that it should have insignificant risk of change in value.

## 7.5 Employment benefits

Employee's benefits include salaries, pensions and other related - employment costs. Employee's benefits are recognized on accrual basis. The Agency Employees are members of Public Social Security Funds (PSSF). The Employees contributes 5% of their basic salary to PSSF, and the employer contributes 15% of basic salary on behalf of all employees. The Agency also contributes to the National Health Insurance Fund (NHIF), whereby both the employer and employees contribute 3% of basic salary.

## 7.6. Related Party Transactions

The Agency related party as per standards comprises of Ministerial Advisory Board (MAB) and management members. The only related party transactions during the financial year ended 30th June 2019 was the remuneration availed to the Board members and key Management staff. During the year under review, the Board members and key Management Staff remuneration are summarized below:

	2018/2019 TZS	2017/2018 TZS
<b>Ministerial Advisory Board</b>		
Ministerial Advisory Board Allowances and Annual Directors Fees	28,600,000	28,600,000
	<u>28,600,000</u>	<u>28,600,000</u>
<b>Emoluments to key Management Staff</b>		
Salaries	601,920,000	601,920,000
Allowances	948,960,000	948,960,000
	<u>1,550,880,000</u>	<u>1,550,880,000</u>

## 7.7 Property, Plant and Equipment

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

### Recognition

The cost of an item of Property, Plant and Equipment is recognized as an asset if, and only if the asset is being controlled by the Agency; it is probable that future economic benefits or service potential associated with the item will flow to the Agency; and the cost of the item can be measured reliably.

### Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

### Derecognition

The carrying amount of an item of property, plant and equipment is derecognized when asset is disposed; or when no future economic benefits or service potentials are expected from its use or disposal. Gains and losses on de-recognition of Property, Plant and Equipment is determined by reference to their carrying amount and is taken into account in determining operating profit.

### Subsequent Expenditure

Expenditure incurred to replace a component of item of Property, Plant and Equipment is accounted for separately and capitalized only when the amount is material, it is probable that future economic benefits or service potentials associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other expenditure items are recognized in the income statement as expenses during the financial period in which they are incurred.

### Depreciation

Depreciation is calculated on a straight-line basis over the useful life of the assets. The depreciation is charged on a prorate basis from the month of acquisition, where the asset procured after two weeks of such particular month will be treated as addition to the following month. The annual rates of depreciation which have been consistently applied are:

Description	Useful life (years)	Depreciation Rate (%)
Buildings	25	4
Computers	5	20
Furniture, fixtures & Equipment	10	10

Motor Vehicles (light duty)	5	20
Motor Cycles	7	14
Computer Software	3	33.3
Office Equipment's	8	12.5

### 7.8 Impairment of Asset

Impairment of assets occurs when an asset's recoverable amount is higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of an assets. However, there was no indication of impairment to the Agency's assets.

### 7.9 Investments and other financial assets

Financial assets are classified at fair value as appropriate. When financial assets are recognized initially, they are measured at fair value.

The Agency determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

### 7.10 Receivables

Receivables are amounts owed by mainly advertising companies and bus operator (UDART), and are presented net of impairment losses.

### 7.11 Provisions

Provisions are recognized when the Advisory Committee has a present legal or constructive obligation because of past events, when it is probable that an outflow of resources embodying economic benefits and/or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. However, the Agency has not made any provision during the year.

8 REVENUE FROM EXCHANGE TRANSACTIONS	2018/2019 TZS	2017/2018 TZS
Permits on billboards and posters	1,468,716,324	1,219,670,107
Fines and penalties	1,601,320,046	779,574,269
Access Fee	2,956,500,000	2,956,500,000
Parking Fee	174,896,600	87,492,400
Sanitary Charges	126,297,800	151,887,450
Sale of Tender Documents	2,600,000	13,650,000
	<b>6,330,330,770</b>	<b>5,208,774,226</b>
9 REVENUE FROM NON EXCHANGE TRANSACTIONS	2018/2019 TZS	2017/2018 TZS
<b>REVENUE GRANTS</b>		
Balance at the beginning of the year	1,052,942,839	1,052,942,839
Reclassification of prior year recurrent grant to capital grant	(1,052,942,839)	
Received during the year		
Government Grant		
Personnel emoluments	1,069,591,237	952,867,497
Other charges	582,070,990	531,585,600
	<b>1,651,662,227</b>	<b>1,484,453,097</b>
Revenue grant from other donors (WB)	3,691,171,135	2,291,229,571
	5,342,833,362	4,828,625,507
Amortisation for the year	5,247,284,025	3,775,682,668
Balance at the end of the year	<b>95,549,337</b>	<b>1,052,942,839</b>
<b>DEFERRED INCOME</b>		
Cost		
At the beginning of the year	111,203,962,619	101,203,962,619
Reclassification of prior year capital grant from recurrent grant	1,052,942,839	
Adjustment for opening balance	(106,906,582,203)	
Additions		
Govt Grants	-	10,000,000,000
World Bank	498,358,510	-
Disposal	-	-
Derecognition of BRT Bus Lane	-	-
At the end of the year	<b>5,848,681,495</b>	<b>111,203,962,619</b>
Accumulated amortization and impairment		
At the beginning of the year	<b>8,664,762,180</b>	<b>4,660,936,580</b>
Amortization overestimated in previous years	(3,314,439,195)	
<b>Adjusted Balance</b>	<b>5,350,322,985</b>	
Charge during the year	498,358,510	4,003,825,600
Accumulated amortization at the end of the year	<b>5,848,681,495</b>	<b>8,664,762,180</b>
Balance at the year end	-	102,539,200,439
Total Amortization for the year (revenue & capital)	<b>5,748,626,959</b>	<b>7,779,508,268</b>
	<b>5,748,626,959</b>	<b>7,779,508,268</b>

**10 OTHER REVENUE**

	2018/2019 TZS	2017/2018 TZS
Other Receipts	-	3,655,000
	-	3,655,000

**11 WAGES, SALARIES AND EMPLOYEE BENEFITS**

	2018/2019 TZS	2017/2018 TZS
Basic salaries - pensionable posts	1,062,369,600	952,867,497
Basic salaries - non pensionable posts	93,531,785	475,808,053
Employment allowances	1,089,068,870	808,160,416
Other employment costs	69,778,880	114,136,318
	2,314,749,135	2,350,972,284

**12 SUPPLIES AND CONSUMABLES USED**

	2018/2019 TZS	2017/2018 TZS
Newspaper	15,436,400	4,254,040
Internet	23,683,099	333,997,045
Book reference and periodicals	-	380,000
Telephone	52,940,671	26,983,999
Entertainment	10,216,680	16,420,500
Food & refreshments	115,612,120	79,273,300
Gift & prizes	1,775,000	4,500,000
Consumable items	332,883,420	123,329,735
Computer Supplies	950,000	-
Electricity	155,756,807	61,942,216
Water/Sewarages	75,098,543	74,429,037
Printing & photocopy papers	7,799,084	6,717,000
Protective Gears	3,600,000	-
Subscription fee	8,313,136	542,000
Maps	540,000	750,000
Computers, printers, scanners and other related computer equipment	12,358,535	8,254,100
Advertisements	167,837,720	18,105,043
Consultancy Services	2,437,210,998	82,649,008

Rental Expenses	312,724,494	559,823,275
Diesel	192,891,358	135,952,700
Vehicles and mobile equipment	-	3,288,647
Maintenance of Motor Vehicles	224,307,921	-
Routine Maintenance	532,433,666	377,717,016
Sitting Allowance	113,951,172	137,570,932
Training Expenses	95,406,189	642,540,190
Audit Expenses	47,177,000	84,950,000
Air Travel Tickets Foreign	21,065,890	195,988,629
Air Travel Tickets-Local	17,049,890	11,303,000
Ground Travel Domestic	25,110,156	27,740,200
Per Diem Domestic	551,074,329	446,665,281
Per Diem Foreign	129,868,519	629,056,744
Visa Fee	2,549,782	1,965,514
Publicity	27,550,000	11,821,000
Electrical & telephone cable installation	5,836,177	873,998
Land rent charges	-	7,035,250
Conference	43,154,000	38,499,477
Security Services	1,617,863,742	593,885,559
Special operation	62,710,000	13,491,984
Households and Individuals	14,500,000	40,311,000
Withholding Tax	117,440,197	-
	<b>7,576,676,695</b>	<b>4,803,007,420</b>

### 13 DEPRECIATION AND AMORTIZATION

	2018/2019 TZS	2017/2018 TZS
Depreciation of PPE	4,227,275,274	4,144,748,341
Amortization of Intangible	7,667,047	7,667,047
	<b>4,234,942,321</b>	<b>4,152,415,388</b>

<b>14 FINANCE COST</b>		
	<b>2018/2019 TZS</b>	<b>2017/2018 TZS</b>
Bank Charges and other bank expenses	23,632,076	1,124,579
	<b>23,632,076</b>	<b>1,124,579</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
	<b>2018/2019 TZS</b>	<b>2017/2018 TZS</b>
REVENUE COLLECTION CASH ACCOUNT	522,161,949	1,500,000,000
DAR RAPID TRANSIT (DART) AGENCY- RECURRENT	8,648,900	35,660,789
DAR RAPID TRANSIT AGENCY-ACCESS FEE	68,171,607	8,576,908
DAR RAPID TRANSIT AGENCY-DEVELOPMENT	10,693,748,730	10,004,400,974
DAR RAPID TRANSIT AGENCY-DEVELOPMENT (\$)	95,549,337	-
	<b>11,388,280,523</b>	<b>11,548,638,671</b>
<b>16 RECEIVABLES AND PREPAYMENTS</b>		
	<b>2018/2019 TZS</b>	<b>2017/2018 TZS</b>
Receivables from Access Fee (UDART)	24,300,000	211,004,649
Receivables from Access Fee (Performance Deductions) (UDART)	3,456,350,626	2,141,604,954
Receivables from billboards (A1, Spark Venture & Alliance)	836,215,815	498,487,165
Receivables from billboards (penalties for late payments)	-	49,848,717
Cash Collectors	-	654,800
Receivables from Tamisemi	-	7,221,637
Receivables from Treasury	23,280,000	23,280,000
Tanroads (AfDB & WB Fund)	322,307,381	579,633,577
Staff advances and imprest	2,000,650	-
Advance payment	-	36,110,227
Prepayment	294,601,797	318,811,506
	<b>4,959,056,269</b>	<b>3,866,657,231</b>
<b>17 INVENTORIES</b>		
	<b>2018/2019 TZS</b>	<b>2017/2018 TZS</b>
Consumables	52,866,109	49,510,544
Tyres 275/65/R17	-	3,250,000
Fuel and oil	-	-
	<b>52,866,109</b>	<b>52,760,544</b>



## 18. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Infrastructural assets-BRT Lanes	Boreholes	Motor vehicles	Furniture & Fittings	Computers & Accessories	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
<b>Cost</b>								
As at 01.07.2018	6,463,201,919	430,486,125	100,012,894,159	5,650,000	359,256,277	222,894,061	312,210,006	107,806,592,547
Additions	30,015,408,511	-	-	-	193,443,964	54,825,000	430,128,050	30,693,805,525
As at 30.06.2019	36,478,610,430	430,486,125	100,012,894,159	5,650,000	552,700,241	277,719,061	742,338,056	138,500,398,072
<b>Depreciation</b>								
As at 01.07.2018	-	40,869,088	8,001,461,341	282,500	241,691,744	119,566,051	138,904,722	8,512,775,448
Charge for the year	-	17,219,445	4,000,515,766	226,000	84,621,805	26,401,281	98,290,977	4,227,275,274
As at 30.06.2019	-	58,088,533	12,001,977,107	508,500	296,313,549	145,967,332	237,195,699	12,740,050,722
<b>Net Book Value</b>								
As at 30.06.2019	36,478,610,430	372,397,592	88,010,917,052	5,141,500	256,386,692	131,751,729	505,142,356	125,760,347,350
As at 30.06.2018	6,463,201,919	389,617,037	92,011,432,818	5,367,500	147,564,533	103,328,010	173,305,283	99,293,817,099

## 19. INTANGIBLE ASSETS

	Epicor Software	Software - infrastructure	Website costs	Total
	TZS	TZS	TZS	TZS
<b>Cost</b>				
As at 01.07.2018	23,003,442	-	-	23,003,442
Additions	-	-	-	-
As at 30.06.2019	23,003,442	-	-	23,003,442
<b>Depreciation</b>				
As at 01.07.2018	7,667,047	-	-	7,667,047
Charge for the year	7,667,047	-	-	7,667,047
As at 30.06.2019	15,334,094	-	-	15,334,094
<b>Net Book Value</b>				
As at 30.06.2019	7,669,348	-	-	7,669,348
As at 30.06.2018	15,336,395	-	-	15,336,395

## 20. CAPITAL EXPENDITURE AND ITS FINANCING

2018/2019

No.	Source of fund	Category of asset	Balance c/f	Actual revenue received	Total capital receipt	Actual expenditure	%age completion	Balance b/f
1	Government Grant	Land	11,500,000,000	29,470,822,255	40,970,822,255	30,015,408,511	73	10,955,413,744
	<b>Sub Total (A)</b>		<b>11,500,000,000</b>	<b>29,470,822,255</b>	<b>40,970,822,255</b>	<b>30,015,408,511</b>	<b>73</b>	<b>10,955,413,744</b>
2	Own Source/WB/Af DB	Motor vehicles	-	-	193,443,964	193,443,964.36	100	-
3	WB/AfDB	Furniture & Fittings	-	-	54,825,000	54,825,000.00	100	-
4	WB/AfDB	Computers & Accessories	-	-	430,128,050	430,128,050.00	100	-
5	<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>	<b>678,397,014</b>	<b>678,397,014</b>	<b>100</b>	<b>-</b>
	<b>Total (A+B)</b>		<b>11,500,000,000</b>	<b>29,470,822,255</b>	<b>41,649,219,269</b>	<b>30,693,805,525</b>	<b>74</b>	<b>10,955,413,744</b>

**21. PAYABLES**

	2018/2019 TZS	2017/2018 TZS
Payables for WB	322,307,381	579,633,577
Accrued expenses	-	-
Créditors for PPE	-	5,002,677
Other service providers	689,985,999	457,942,118
	<b>1,012,293,380</b>	<b>1,042,578,372</b>

**22. EMPLOYEES BENEFITS**

	2018/2019 TZS	2017/2018 TZS
Salary arrears	23,280,000	23,280,000
Annual leave	-	33,553,200
Deductions (Salaries)	-	37,496,820
	<b>23,280,000</b>	<b>94,330,020</b>

The Agency paid the employees all amount of their accrued annual leave and also deductions from their salaries that were pending in 2017/2018 to different institutions on behalf of employees.