



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

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF SOKOINE UNIVERSITY OF AGRICULTURE
FOR THE YEAR ENDED
30TH JUNE 2018**

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AR/SUA/2018

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ABBREVIATIONS

CAG	Controller and Auditor General
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISSAIs	International Standard of Supreme Audit Institutions
MDAs	Ministries, Departments and Agencies
NAO	National Audit Office
PAA	Public Audit Act No.11 of 2008
PAC	Public Accounts Committee
PAR	Public Audit Regulation, 2009
PFA	Public Finance Regulations, 2009
PPA	Public Audit Act No.11 of 2008
PPR	Public Procurement(Amendment) Regulations, 2016
SUA	Sokoine University of Agriculture
URT	United Republic of Tanzania
VC	Vice Chancellor

1.0 GENERAL INFORMATION

1.1. 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 behavior, 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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1.2. 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.

1.3. 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.

1.4. 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 Sokoine University of Agriculture.

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 Sokoine University of Agriculture.

As 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 Sokoine University of Agriculture.

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 to ensure that proper action has been taken in respect of all matters raised.

2.0 REPORT OF THE UNIVERSITY COUNCIL FOR THE YEAR ENDED 30 JUNE 2018

2.1 Introduction

The Council Members of Sokoine University of Agriculture are pleased to present herewith their report together with the audited financial statements for the year ended 30 June 2018, which disclose the state of affairs of the University.

2.2 Establishment

Sokoine University of Agriculture (SUA) was established out of the former Faculty of Agriculture, Forestry and Veterinary Science of the University of Dar es Salaam on 1 July 1984 by Act No. 6 of Parliament. This Act was later repealed by the Universities Act of 2005, which resulted into granting the SUA Charter of 2007.

2.3 Principal Activities

The principal activities of Sokoine University of Agriculture as stipulated by SUA Charter, among others are as follows:

- a) To prepare graduates to work with Tanzania Community in agriculture, wildlife, livestock, environment and allied sectors for the purpose of development and strengthening of the national economy.
- b) To provide facilities for the conduct of the University education in the fields of/ or related to agriculture, fisheries, forestry, veterinary, environmental science and allied fields.
- c) To conduct examinations for, and to grant degrees, diplomas, certificates and other awards of the University.
- d) To conduct applied and basic research with or without cooperation with other Institutions.
- e) Preservation, transmission, dissemination and enhancement of knowledge in the fields of agriculture, fisheries, forestry, veterinary, environment issues and allied sciences.

2.4 Vision

To be a leading University in the provision of quality knowledge and skills in agriculture and allied sciences.

2.5 Mission

To promote development in agriculture, natural resources and allied sectors through training, research and delivery of services.

In achieving its vision and fulfilling its mission, the University upholds the principles of academic excellence; integrity, and freedom; efficiency; participatory management, social responsibility; equity and justice; professional and ethical standard and, continuous learning.

2.6 University Council

The University Council is the highest organ at Sokoine University of Agriculture responsible for the overall management of the University. Ordinary meetings of the University Council are held quarterly in a year in accordance with the University charter. In this year 2017/2018, four meetings were held whereby various decisions were made including but not limited to approving the budget for the financial year 2018/2019, audited financial statements, examination results, and new courses of study, promotion and terminations.

(i) List of members of the University Council who served the University throughout the financial year 2017/18

S/N	Name	Position	Nationality	Age	Qualification/ Discipline	Period Served in years	Appointee's Authority
1	Hon. Justice M. C. Othman	Chairman	Tanzanian	65	M.A (International Relations)	1	Appointee of the President of the United Republic of Tanzania
2	Prof. Esther Mwaikambo	Vice- Chairman	Tanzanian		Master of Medicine (Paediatrics and Child Health)	2	Appointee of the Chancellor
3	Prof. R.T. Chibunda	Member	Tanzanian	52	PhD (Environmental Technology)	1	Vice-Chancellor (Ex- Official)
4	Prof. P.R. Gillah	Member	Tanzanian	59	PhD (Wood Science and Technology)	6	Deputy Vice- Chancellor-Academic (Ex-Official)
5	Prof. Y. M. Ngaga	Member	Tanzanian	59	(PhD) Resource Economics)	3	Deputy Vice- Chancellor - Administration & Finance (Ex-Official)
6	Mrs. Maryam J. Saadalla	Member	Tanzanian	47	M.Phil in Biotechnology	1	Appointee of the Revolutionary Government of Zanzibar
7	Mr. B. A. Malema	Member	Tanzanian	55	MSc. Agricultural Education and Extension	1	Appointee of the Minister responsible for Agriculture, Livestock and Fisheries
8	Prof. E.M. Nyankweli	Member	Tanzanian	44	PhD (International Development Studies)	1	Appointee of the Minister responsible for Education, Science and Technology

2.6 Members of the University Council (Continued)

S/N	Name	Position	Nationality	Age	Qualification/ Discipline	Period Served (years)	Appointee's Authority
9	Mej. Jen. G. S. Milanzi	Member	Tanzanian	60	Master of Security and Strategic Studies	2	Appointee of the Minister responsible for Natural Resources and Tourism
10	Dr. C.A. Mwamwaja	Member	Tanzanian	51	PhD (Finance)	2	Appointee of the Minister responsible for Planning and

							Finance
11	Mr. W. M. Makere	Member	Tanzanian	56	Diploma in Management Human Resources	5	Elective of Trade Union Congress of Tanzania (TUCTA)
12	Prof. R. S. Mukandala	Member	Tanzanian	63	PhD (Political Science)	9	Elective of the SUA Senate
13	Mr E. Kunyara	Member	Tanzanian	31	B.Sc.(Education), Student	1	Elective of SUA Students Organization (SUASO)
14	Dr. S. A. Hoza	Member	Tanzanian	43	MSc. (Molecular Biology)	2	Elective of SUA Academician Staff association (SUASA)
15	Ms. G. L. Donati	Member	Tanzanian	56	MSc. Human Nutrition	2	Elective of the Researchers, Academician & Alliance Workers Union (RAAWU) -SUA
17	Mrs. L. M. Gillah	Corporate Counsel & Secretary to Council	Tanzanian	48	Master of Laws (LLM)	8	University Council

2.6 Members of the University Council (Continued)

(ii) Register of attendance of Council Members in the University Council meetings

S/N	Member's Name	Attendance of Members in meetings			
		29/09/2017	15/12/2017	30/03/2018	29/06/2018
1	Hon. Pillemon L. Luhanjo	P	P	P	N/A
2	Hon. Justice Mohamed C. Othman	N/A	N/A	N/A	P
3	Prof. Esther D. Mwaikambo	N/A	N/A	P	P
4	Prof. Gerald C. Monela	P	P	P	N/A
5	Prof. Raphael T. Chibunda	AP-R	P	P	p
6	Prof. Peter R. Gillah	P	P	P	AP-R
7	Prof. Yonika M. Ngaga	P	P	P	P
8	Mej.Jen. Gaudence S. Milanzi	AP-R	AP-R	AP-R	AP-R
9	Mr. Winston Makere	P	P	P	P
10	Mr. Beatus A. Malema	N/A	P	AP	P
11	Mrs.Maryam J. Saadalla	N/A	P	P	P
12	Dr. S.A. Hoza	P	P	P	P
13	Mr. Edward Kunyara	N/A	P	P	N/A
14	Mr. Laurent Peter	N/A	N/A	N/A	P
15	Prof. E. M. Nyankweli	N/A	N/A	N/A	AP
16	Prof. Rwekaza S. Mkandala	AP-R	P	AP-R	P
17	Dr. Charles A. Mwamwaja	P	P	P	AP
18	Ms.Gaudencia L. Donati	P	P	P	P
19	Lunyamadzo M. Gillah	P	P	P	P

P = Present

AP = Apology
 AP-R = Absence with apology-Represented
 N/A* = The post/position was vacant

2.7 Committees of the University Council

2.7.1 Finance, Planning and Development Committee (FP&DC)

The Finance, Planning and Development Committee monitor the financial performance of the University and its associated legal entities if any. It considers financial policies and issues and makes recommendations to the Council on these matters having regard to the importance of financial sustainability. It also considers and evaluates quarterly financial progress reports, financial statements and budgets of the University and other related financial issues and makes recommendations to the Council thereon. The Committee is chaired by The Deputy Chairperson of the Council and normally meets four times a year.

Members of FP & DC who served during the year were:

S/No	Name	Position	Nationality	Age	Qualification/Discipline	Period Served in years	Appointees Authority
1.	Prof. E. D. Mwaikambo	Chair	Tanzanian		Masters of Medicine, Paediatrics and Child Health	3	Appointee of Chancellor
2.	Prof. R. T. Chibunda	Member	Tanzanian	52	PhD(Environmental Technology)	1 year	Vice Chancellor (Ex-official)
3.	Prof. P. R. Gillah	Member	Tanzanian	59	PhD(Food Science & Technology)	7	Deputy Vice Chancellor Academic (Ex-official)
4.	Prof. Y. M. Ngaga	Member	Tanzanian	59	PhD(Resources Economics)	4	Deputy Vice Chancellor (Administration & Finance)
5.	Dr. C. A. Mwamwaja	Member	Tanzanian	51	PhD (Finance)	2	University Council
6.	Mr. B. A Malema	Member	Tanzanian	55	Msc. Agricultural Education and Extension)	2	University Council
7.	Ms. G. L. Donati	Member	Tanzanian	56	Msc. Human Nutrition	3	Elective of the Researchers & Alliance Workers union (RAAWU) SUA
8.	Prof. C.I. Nombo	Member	Tanzanian	49	PhD (Agriculture, Education & Extension)	2	Ex-official Director-ICE
9.	Prof. Eron D. Karimuribo	Member	Tanzanian	52	PhD (Agric.Animal Science)	5	Director, Directorate of Postgraduate Studies, Research, Technology Transfer & Consultancy
10.	Prof. Fredick C. Kahimba	Member	Tanzanian	48	PhD(Plant Breeds)	3	Ex-official Principal - Agric.
11.	Prof. M. lwehabura	Member	Tanzanian	60	PhD (Information)	3	Ex-Official Director SNAL
12.	DR. A. J. Churi	Member	Tanzanian	45	PhD(Computer Science)	3	Ex-Official Director CICT
13.	Prof. J. F. Kessy	Member	Tanzanian	54	PhD(Forest)	3	Ex-Official Principal - Forestry

14.	Prof. L. Munyone	Member	Tanzanian	42	PhD (Pest Biology & Ecology)	3	Ex-Official Director - Pest Management
15.	Prof. A. L. Malisa	Member	Tanzanian	49	PhD (Vet Medicine)	6	Principal SM-COSE
16.	Prof. D. Gabagambi	Member	Tanzanian	51	PhD (Marketing)	3	Dean of School of Agribusiness & Business Studies
17.	Dr. S. A. Hoza	Member	Tanzanian	43	MSc. (Molecular Biology)	2	SUASA representative
18.	Mr. Peter Lurent	Member	Tanzanian	32	BSc. Bioprocessing & Postharvest Engineering, (Student)	2	SUASO Representative
19.	Prof. M. J. Kipanyula	Member	Tanzanian	44	PhD (Neurology)	3	Principal College of Veterinary Medicine and Biomedical Sciences
20.	Prof. K. Bengesi	Member	Tanzanian	51	PhD (Agriculture, Education & Extension)	3	Principal College of Social Sciences
21.	Mr. P. Raphael	Member	Tanzanian	59	CPA(T) MBA	20	Chief Financial Officer
22.	Mr. R. L. Massawe	Member	Tanzanian	59	MA Economics	21	Chief Planning Officer

The University Senate

This is one among committees of the University and is responsible for all academic affairs of the University.

The Senate Committee Members who served during the year were:

S/N	Name	Position	Nationality	Age	Qualification/ Discipline	Period Served in years	Appointee's Authority
1	Prof. R. T. Chibunda	Member	Tanzanian	52	PhD (Environmental Technology)	1 years	Vice-Chancellor (Ex-Official)
2	Prof. P.R. Gillah	Member	Tanzanian	59	PhD (Wood Science and Technology)	6	Deputy Vice Chancellor-Academic (Ex-Official)
3	Prof. Y. M. Ngaga	Member	Tanzanian	59	(PhD) Resource Economics)	3	Deputy Vice-Chancellor - Administration & Finance (Ex-Official)
4	Prof. Gerald Misinzo	Member	Tanzanian	44	PhD (Virology)	1	Head, Department of Veterinary Microbiology & Parasitology
5	Prof. Elliot Phiri	Member	Tanzanian	58	PhD (Veterinary)	3	Head, Department of Veterinary Physiology, Biochemistry & Pathology
6	Prof. D.G. Mpanduji	Member	Tanzanian	51	PhD (Veterinary Surgery)	1	Veterinary Surgery & Theriogenology
7	Prof. A. L. Malisa	Member	Tanzanian	50	PhD (Vet Medicine)	5	Principal Solomon Mahlangu College of Social Science & Education
8	Prof. E. Karimuribo	Member	Tanzanian	52	PhD (Agric. Animal Science)	1	Director, Directorate of Postgraduate Studies, Research,

							Technology Transfer & Consultancy
9	Dr. K. Kulwa	Member	Tanzanian	47	M. Sc (food Science)	1	Head, Department of Food Technology, Nutrition & Consumer Sciences
10	Dr. Kassile	Member	Tanzanian	48	M. Sc (Biometry & Mathematics)	1	Coordinator, Quality Assurance & Promotion Bureau
11	Dr. I. Busindeli	Member	Tanzanian			1	Head, Department of Agricultural Extension and Community Development
12	Dr. Ibrahim Mjema	Member	Tanzanian	48	PhD (Physical Sciences)	1	Head, Department of Geography & Environmental Sciences
13	Prof. M. Mwatawala	Member	Tanzanian	49	PhD (Crop Science & Production)	1	Head, Department of Crop Science & Production
14	Prof. M. Lwehabula	Member	Tanzanian	60	PhD (Information Sciences)	Months	Ag. Director, Sokoine National Agriculture Library
15	Dr. Ernest Kira	Member	Tanzanian	43	MSc (Education)	1	Head, Department of Education
16	Prof. G. Mbassa	Member	Tanzanian	66	PhD (Vet Medicine)	4	President, SUA Convocation
17	Dr. N. A. Amuri	Member	Tanzanian	44	PhD (Soil Science)	2	Head, Department of Soil and Geological Sciences
18	Dr. L. Mnyone	Member	Tanzanian	42	PhD (Pest Biology & Ecology)	1	Director, SUA Pest Management Centre
19	DR. Charles Lymo	Member	Tanzanian	46	MSc (Biological Sciences)	1	Head, Department of Biosciences
20	Prof. C. I. Nombo	Member	Tanzanian	49	PhD (Agriculture, Education & Extension))	1	Ex-official Director-ICE
21	Prof. F. C. Kahimba	Member	Tanzanian	49	PhD (Agricultural Engineering & Land Planning)	1	Principal, College of Agriculture
22	Dr. Ayubu Churi	Member	Tanzanian	45	PhD (Computer Sciences)	1	Director, Centre for Information and Communication Technology
23	Dr. A. M. Akyoo	Member	Tanzanian	56	PhD (Agricultural Economics & Agribusiness)	1	Dean of Prospective School of Agricultural Economics and Business Studies
24	Dr. S. Augustino	Member	Tanzanian	45	PhD (Forest	2	Director, Directorate of Undergraduate Studies
25	Prof. John Kessy	Member	Tanzanian	55	PhD (Forest)	2	Principal, Prospective College of Social Sciences and Humanities
26	Mr. Pule J. Motshabi	Member	Tanzanian	43	MBA (Marketing)	5	Dean of Student
27	Prof. K. B. Kitundu	Member	Tanzanian	52	PhD (Development Studies)	1	Principal Prospective College of Social Sciences and Humanities

28	Dr. Wahab Kimaro	Member	Tanzanian	46	PhD (Veterinary Medicine)	1	Head, Department of Veterinary & Pathology
29	Dr. A. S. Hoza	Member	Tanzanian	43	MSc. (Molecular Biology)	1	SUASA representative
30	Dr. N. Madalla	Member	Tanzanian	45	PhD (Aquaculture Nutrition)	3	Head, Department of Animal, Aquaculture & Range Sciences
31	Mr. S. T. Siwale	Member	Tanzanian	24	Student (BSc. Education)	6 Months	SUASO Representative
32	Mr. Yanga. A. Salum	Member	Tanzanian	25	Student (BSc. Irrigation & water Resources Eng.)	6 Months	SUASO Representative
33	Dr. Daniel Ndiyetabula	Member	Tanzanian	39	MBA	1	Head, Department of Agricultural Economics & Agribusiness
34	Ms. S. R. Ahmed	Member	Tanzanian	33	Student (BSc. Agr. Economics)	6 Months	SUASO Representative
35	Mr. R. L. Massawe	Member	Tanzanian	59	MA (Economics)	21	Chief Planning Officer
36	Dr. Juma S. Kabote	Member	Tanzanian	45	MA (Development Studies)	1	Head, Department of Development Studies
37	Dr. Baanda A. Salim	Member	Tanzanian	59	PhD (Information Technology)	2	Head, Department of Engineering Sciences and Technology
38	Dr. Agness Sirima	Member	Tanzanian	36	PhD (Tourism)	2	Head, Department of Tourism and Recreation
39	Dr. Nsajigwa Mbije	Member	Tanzanian	48	PhD (Marine Biology)	2	Head, Department of Wildlife Management
40	Mr. Andrew Msungu	Member	Tanzanian	38	MSc (Libraria)	2	Head, Department of Information and Records Management
41	Mrs. Lunyamadzo, M. Gillah	Member	Tanzanian	48	Master of Laws (LLM)	7	Corporate Counsel
42	Ms. Gaudencia Leo Donati	Member	Tanzanian	56	Msc. Human Nutrition	2	Elective of the Researchers & Alliance Workers union (RAAWU) SUA
43	Dr. Alex Matofali	Member	Tanzanian	47	Master (Biometry & Mathematics)		
44	Dr. Faith Mabiki	Member	Tanzanian	43	MSc (Physical Sciences)	1	Head, Department of Chemistry & Physics
45	Mr. A. S. Gimarace	Member	Tanzanian	24	Student (BSc. Education)	6 Months	SUASO Representative
46	Ms. A. Kangodo	Member	Tanzanian	33	Student (Phd Agriculture Economics)	6 Months	SUASO Representative

2.7.2 Audit Committee

The Audit Committee provides oversight of the financial reporting process, the audit process, the system of internal controls and compliances with laws and regulations. The Committee is chaired by member of the University Council and normally meets four times in a year.

Audit Committee Members serve the period 2017/2018 were:

S/N	Name	Position	Nationality	Age	Qualification/ Discipline	Period Served in years	Appointee's Authority
1	Dr. C.A. Mwamwaja	Member	Tanzanian	51	PhD (Finance)	1	University Council
2	Mr. B. A. Malema	Member	Tanzanian	55	MSc. Agricultural Education and Extension	1	University Council
3	Mr. Robert Lugundu	Member	Tanzanian	55	MBA (Corporate Management), CPA (T)	1	University Council
4	Mr. Paul R. Bilabaye	Member	Tanzanian	46	MBA (Corporate Management), CSPC (T)	1	University Council
5	Mrs. Hannah Mwakalinga	Member	Tanzanian	51	MBA (Finance & IT)	1	University Council
6	Mrs. L. M. Gillah	Secretary to Committee	Tanzanian	48	Master of Laws (LLM)	7	University Council

MBA (Finance & IT)

2.7.3 Human Resource Committees (Administrative and Academic Staff)

The Human Resource Committees provide oversight of all human resource matters including employee's benefits and oversee compliances with laws and regulations and evaluate good governance. The Committees are chaired by the Vice Chancellor and normally meet four times in a year.

(i) Members of Human Resource Committees who served during the year for Administrative Staff were:

S/N	Name	Position	Nationality	Age	Qualification/ Discipline	Period Served in years	Appointee's Authority
1	Prof. R. T. Chibunda	Member	Tanzanian	52	PhD(Environmental Technology)	1Year	Vice Chancellor (Ex- Official)
2	Prof. P.R. Gillah	Member	Tanzanian	59	PhD (Wood Science and Technology)	5	Deputy Vice-Chancellor- Academic (Ex-Official)
3	Prof. Y. M. Ngaga	Member	Tanzanian	59	(PhD) Resource Economics)	2	Deputy Vice-Chancellor - Administration & Finance (Ex-Official)
4	Mr. W. M. Makere	Member	Tanzanian	56	MSc Home Economics & Human Nutrition	6	University Council
5	Ms. G. D. Leo	Member	Tanzanian	56	MSc Home Economics & Human Nutrition	4	Elective of the Researchers, Academicians & Allied Workers Union (RAAWU) -SUA
7	Mr. P.Mwakiluma	Member	Tanzanian	46	MSc (HR Planning & Development)	1	Chief Administrative Officer-Secretary
8	Dr. C. A. Mwamwaja	Member	Tanzanian	51	PhD (Finance)	1	Appointee of the Minister responsible for Planning and Finance

(ii) Members of Human Resources Committees who served during the year for Academic Staff were:

S/N	Name	Position	Nationality	Age	Qualification/ Discipline	Period Served in years	Appointee's Authority
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1	Prof. R. T. Chibunda	Member	Tanzanian	52	PhD(Environmental Technology)	1 Year	Vice-Chancellor (Ex-Official)
2	Prof. P.R. Gillah	Member	Tanzanian	59	PhD (Wood Science and Technology)	6	Deputy Vice-Chancellor-Academic (Ex-Official)
3	Prof. Y. M. Ngaga	Member	Tanzanian	59	(PhD) Resource Economics)	3	Deputy Vice-Chancellor - Administration & Finance (Ex-Official)
4	Prof. S. S Temu	Member	Tanzanian	59	PhD (Accounting)	4	Director, Directorate of Higher Education, Ministry of Education & Vocational Training/Appointee of chairman of the Vice Chancellor
5	Prof. W.A. L Anagisyse	Member	Tanzanian			6 Months	Appointee of chairman of the Council
6	Dr. A.S. Hoza	Member	Tanzanian	43	PhD	1	Elective of SUA Academician Staff association (SUASA)
7	Mr. I. Mahuni	Member	Tanzanian	43		1	Appointee of the SUA Vice-Chancellor
8	Mrs. L. M. Gillah	Member	Tanzanian	48	Master of Laws LLM	7	Corporate Council
9	Ms. G. L. Donati	Member	Tanzanian	56	MSc. Human Nutrition	2	Chairperson of the Trade Union(RAAWU)
10	Ms. J. D. Lwiza	Member/Secretary	Tanzanian	47	MPA (HRM)	7	Senior Administrative officer dealing with academic matters

2.8 University Council's Statement on Corporate Governance

Sokoine University of Agriculture puts emphasis to highest standards of corporate governance. The organizational structure is flexible and accommodates changes from internal as well as external environment. Moreover, the University periodically reviews its rules and regulations with a view to ensuring the best performance of the academy. The University adheres to the global standards and practices of good corporate governance.

The Councillors continue to strengthen good governance system by reviewing various performance reports and approving policies and guidelines with the aim of enhancing good governance.

2.9 Performance Review for the Year Ended 30 June 2018

(i) Financial Performance

The main sources of the University's income are government grants, donor grants, and internally generated funds.

During the financial year 2017/2018, total revenue for the University was TZS 93.2 billion compared to TZS 84.98 billion in the previous year. Total Government subvention was TZS 49.65 billion compared to TZS 47.58 billion received in last financial year. The University did not receive any fund for other charges and house subsidy allowance from the Government for the two consecutive years, the last one was in year 2015/2016.

Total operating expenses was TZS 89.93 billion compared to TZS 85.39 billion in the previous financial year. The surplus shown in the financial performance statement of TZS 3.26 billion was mainly in respect of land rent written back, increase in value of biological assets and increase in revenue of tuition fee.

The surplus of the University is not available for distribution. Such surpluses, whenever available are exclusively and wholly used for financing future development of the University.

(ii) Academic Performance

- **Undergraduate Degree Programs**

In the financial year 2017/2018, SUA had 8,962 students compared to 8,296 students in the previous year. During the year 2,569 students graduated from various undergraduate academic programs.

- **Postgraduate Degree Programs**

During the year 2017/2018 a total of 184 (119 males and 65 female) students registered for studies to different postgraduate degree programs in comparison to 322 students registered in year 2016/2017. Out of these 8 (4 males and 4 females) registered for the Postgraduate Diploma in Education, 133 (86 males and 47 females) registered to the various Master degree programs, while a total of 43 students (29 males and 14 females) registered for PhD studies.

During the period under review the University managed to offer 10 PhD degree Programs (in comparison to 10 PhD Programs in year 2016/2017) and 27 Postgraduate Diploma and Master Degree programs in comparison to 33 programs in the previous year. In the year 2017/2018, a total of 209 (121 males and 88 females) students graduated in comparison to 197 students who graduated in the previous year. Among them, 10 (2 males and 8 female) were conferred with Postgraduate diploma in education, 155 (87 males and 68 females) conferred with Master Degrees in various fields and 44 (32 males and 12 females) were conferred with Doctor of Philosophy (PhD).

- **Research Associate ship**

SUA invites researchers and other scholars from foreign and local institutions to conduct research in various fields of agriculture, natural resources and allied fields in collaboration with SUA researchers as associate supervisors. During the period, SUA registered a total of 25 research associates (19 males and 6 females) from various Institutions across the world compared to 24 registered in the previous year.

- **Research and outreach**

The University has more than 14 research projects funded by various donors carried out across the Country. Research projects undertaken for the year under review, comprise both basic and applied research. Outreach activities were also carried out in different villages within the Country. Technological inventions were disseminated to stakeholders aiming at improving output in both quantity and quality.

Institutional Capacity Building

- **Infrastructure**

Construction of Local Area Network (LAN) at both Main Campus and Mazimbu Campus funded by USAID through iAGRI Project was completed. Construction of office block for PhD students at School of Agriculture Economics and Business Studies, while, extension of an” ISoArk Chamber “funded by SACIDS-Wellcome Trust and construction the Aquatic Resources Centre at College of Veterinary of Medicine and Biomedical Sciences funded by NORAD were completed.

The construction of basic science technology laboratory at Mazimbu Campus through EPINAV programmes funded by the Royal Norwegian Government was completed. The Government of United Republic of Tanzania is funding the construction a malt purpose laboratory at main cumpas.

Staff development

During the year under review, 139 members of staff were undergoing training as follows:

Training Level	Administrative staff		Academic staff	
	2018	2017	2018	2017
PhD	2	2	107	73
Second Degree	8	10	10	7
First Degree	7	14	-	-
Diploma	2	11	-	-
Certificate	3	1	-	-
Total	22	38	117	80

During the year under review, 28 academic staff and 13 administrative staff completed their studies. Also, various staff attended short courses, seminars and workshops in and outside the country.

(iii) Challenges

During the year under review, the University experienced a number of challenges as narrated bellow:

- Deterioration of existing infrastructure of teaching, learning and accommodation facilities for students and staff
- Insignificant Government funding in research activities
- Decline of Development Partners’ support in training academic staff at Masters and PhD levels as we as infrastructural development
 - Low expansion of infrastructure for teaching, leaning, accommodation and other facilities which results into low rate of students ‘enrolment
- Low acquisition of funds for procurement of teaching and learning materials and other equipment; and
- Low mobilization of funds for staff training and implementation of various development projects.

(iv) The University future strategies

- Increase internal generating income through strengthening the existing income generating units, and introducing new income avenues
- Review the existing academic programmes and development of new undergraduate, postgraduate and non-degree programmes so that to improve quality and attracts new entrants to join SUA as students
- Strengthen and promote joint research activities with regional and international organisations/institutions
- Increase efforts to solicit funds from different sources including government and development partners to enable SUA to construct new and rehabilitate the existing infrastructure
- Establish and foster collaboration with other institutions locally and internationally
- Participate actively in activities of the professional and academic organisations in which the University is a member.

(v) Current and future plans

The University has a five year corporate strategic plan covering the period from year 2016 to year 2021. Its plans for development, therefore, are directed towards achieving its core objectives, which are training, research, extension and consultancy.

The University had plans to expand student enrolment from the current 8,962 students to 20,000 students by end of year 2021 with emphasis on improving infrastructure and gender balance. It intends to increase the female students from the existing rate of 35% to 50% by end of year 2021. To enhance internal income generation capacity with the purpose of complementing the Government subvention.

2.10 The University Land's Title Deeds

S/n	Plot No.	Block No.	Title No.	Location
1	13	1	68835	MbweniMpiji Kinondoni Municipality
2	12	1	68470	MbweniMpiji- Kinondoni Municipality
3	111	Zone II	183049/70	Old Dar es Salaam Road - Commercial Area, Morogoro Municipality
4	35	Zone II	183049/36	Kanisa Road - Banda Street, Morogoro Municipality
5	42	-	8377	Kanisa Road - Commercial Area, Morogoro Municipality
6	256	“DD”	54181	Misufini Morogoro Municipality
7	3	-	8103	Forest Hill Seng’ondo Road Morogoro Municipality
8	1B	-	54472	Acropolis Estate Morogoro Municipality
9	590	“BB”	29239	Kiwanja cha Ndege/Morogoro Municipality
10	90	-	7915	Forest Hill Kingaru Road, Morogoro Municipality
11	780	“BB”	30267	Kiwanja Cha Ndege/Mafiga - Morogoro Municipality
12	Farm No. 5	-	36424	SUA Main Campus/Mafiga Farm, Morogoro
13	Farm No. 479	-	9880	Olmotonyi, Arumeru District
14	Farm No.162	-	45172	Morning Site/Towelo/Luhungu Farm, Morogoro District
15	35-38 and 46-49	-	-	NBC Flats/Morogoro Municipality

16	131	10	75639	Bunju/Kinondoni-Dar-es-Salaam
17	99	10	75478	Bunju/Kinondoni-Dar-es-Salaam
18	823	A	45233	KihondaMorogoro Municipality
19	Farm No. 479	-	9880	Olmotonyi, Arumeru District
20	-	-	-	Solomon Mahlangu Campus SMC)/Morogoro Municipality
21	-	-	-	Mgeta Project Center -Morogoro
22	-	-	-	Malolo Project Center -Kilosa, Morogoro
23	-	-	-	Mbinga Project Center -Mbinga, Ruvuma
24	-	-	-	Mazumbai/Sagara-Lushoto -Tanga
25	-	-	-	NaneNane Pavilion -Morogoro Municipality
26	Olmotonyi training forest	-	-	Olmotonyi Arusha
27	Kitulang'alo Natural forest	-	-	Morogoro

At close of business on 30 June 2018, the University had not obtained title deed/right of occupancy certificates for eight properties: Solomoni Mahlangu Campus (SMC)-Mazimbu Morogoro Municipality, Mgeta Project Centre -Morogoro, Malolo Project Centre -Kilosa, Mbinga Project Centre, Mbinga Ruvuma, Mazumbai/Sagara - Lushoto Tanga, and; NanaNane Pavalion -Morogoro Municipality. However, the University's management continues to follow-up to ensure that title deeds and the concession for the same are obtained.

2.11 Ownership

Sokoine University of Agriculture is wholly owned by the Government of the United Republic of Tanzania.

2.12 Solvency Evaluation

The University Council confirms that, in the course of preparing these financial statements, International Public Sector Accounting Standards (IPSAS) have been complied with. The University Council ensures that Sokoine University of Agriculture has adequate funds to meet its objectives which comprise of training, research, outreach and production activities. The University's cash reserve was TZS 14.1 billion at the year-end, out of which donor funds for various research activities was TZS 6.4 billion. The Government of the United Republic of Tanzania will continue to provide grants to the University for Meeting Operational Expenses especially personal emoluments and development activities. In view of this assessment, the University Council is of the opinion that the University has a sound financial position and will continue to operate for the unforeseeable future.

2.13 University Council Members' Interests

The University is a public body under the supervision and control of the University Council. During the year 2017/2018, none of the members of the University Council had interest or transactions with the University except those reported under note 23 of these financial statements.

2.14 Related Party Transactions

All related party transactions and balances are disclosed in note 24 of the financial statements.

2.15 Employees' Welfare

Management - employees' relationship

The average number of employees during the year was 1340 (2017: 1,387). The relationship between the employees and SUA Management was cordial. However, there were some complaints due to delays in payment of staff benefits such as leave passages, house allowances to eligible staff, salary arrears, and payment for promotion and increments and retirement benefits due to inadequate funding from government.

2.16 Medical Facilities

The University like other public organizations, all of its staff are members of the National Health Insurance Fund (NHIF) whereby each, the employer and employee contributes 3 per cent of basic salaries. In addition, the University has established the SUA Community Health Fund which is a voluntary scheme covering medical costs over and above of what is covered by the NHIF. In terms of health facilities, the University has the SUA Health Centre at SUA Main Campus and the Mazimbu Hospital located at Solomon Mahlangu Campus offering medical services to employees, students and the surrounding community.

2.17 Employees' Financial Support

The University has several arrangements that offer financial support to employees, this includes a Savings and Cooperative Society (SACCOS), which grants loans/credits to its members. Burial expenses related to employees and their legally recognised family members and provision of partial exemption in payment of tuition fees for sons/daughters/spouses of SUA staff members when admitted as privately or third part at the University. The University has also entered into contract as a guarantor with some financial institutions and hire purchase companies where members of staff are granted loans and house appliances on credit

2.18 People with Physical Disabilities

The recruitment policy of the University does not discriminate against persons with physical disabilities. There are persons with disabilities among the members of staff as well as among students. Similarly, under the Workman Compensation Act, the University has workman compensation fund for employees who become disabled while in service.

2.19 Gender Balance

Sokoine University of Agriculture gives equal opportunity to all Tanzanians during recruitment and filling in of management positions provided they have the necessary qualifications, qualities and abilities regardless of their gender. The University also gives equal opportunity to all Tanzanians at the time of admitting students to various programmes. At the end of the year, the University had 1,340 employees out of which 431 were female and 909 male (2017: 438 female, 949 male).

2.20 Environment Protection

Sokoine University of Agriculture implements Government's policies and directives on environmental conservation. The University preserves the environment through tree planting; an activity which is being carried out throughout the year including distributing free seedlings to neighbouring communities. Moreover, the University has a College of Forestry, wildlife and Tourism which deals with preservation, transmission, dissemination and enhancement of knowledge in the field of forestry and environment issues.

2.21 Statement of Internal Control and Risk Management

The Council is ultimately responsible for risk management, determining the system of internal controls operated by the University and for monitoring and effectiveness of the control environment. It is the task of the management to ensure that adequate internal financial and operational control are developed, reviewed and maintained on an ongoing basis in order to provide reasonable assurance with regard to:-

- The effectiveness and efficiency of operations;
- The safeguarding of the University assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of internal control system is dependent on the strict observance of prescribed measures. Always, there is a risk of non-compliance of such measures by staff whilst no system can provide absolute assurance against misstatement or loss, the University control system is designed to manage rather than eliminate the risk of failure to achieve business objectives.

2.22 Statement of Internal Control and Risk Management (Continued)

The management receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanism. A key control is the budget briefing which takes place yearly attended by Principals of Colleges, Deans of Schools, Head of Academic and Administrative Departments to discuss key strategy issues within the University. These meetings are chaired by Vice Chancellor who is the Accounting Officer of the University.

The Audit Committee's role in this area is confined to a high level review of the arrangement for internal control. The University's Internal Auditors monitor the system of internal control, risk management control and governance processes in accordance with an agreed plan, and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and the Internal Auditors undertake prevailing follow up reviews to ensure that such recommendations have been implemented. The Audit Committee considers summarized reports together with recommendations for the improvement of the University systems of internal control and management's responses and implementation plans.

Whilst senior executives attend meeting of the Audit Committee as necessary, they are not members of the committee. The committee meets the internal and external auditors separately for independent discussion.

The Council receives regular reports from the Audit Committee.

The Council is of a view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, and that it has been in place throughout the year ended 30 June, 2018 up to the date of approval of the annual reports and financial statements and is of the opinion that met accepted criteria.

2.23 HIV/AIDS Policy

The management of HIV/AIDS is an important challenge for Sokoine University of Agriculture. SUA has determined some risks associated with the impact of HIV/AIDS as operational risk, legal risk and health risk.

SUA has adopted the following core principles as a basis for HIV/AIDS policy:-

- Continuously assess the risk posed by HIV/AIDS on the operations of the University.
- Limit the number of new infections among the employees and students.
- Ensure employees and students living with HIV/AIDS are aware of their rights, respected and protected.
- Provide care and support to employees and students living with HIV/AIDS.
- Provide continuous education on HIV/ AIDS

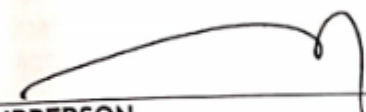
2.24 Anti-Corruptions

In conducting its activities, SUA maintains transparency and observes the principles of good governance. In this respect, the University has established an Ethics Committee and Code of Ethics dealing with mitigation of unethical issues including corruption.

2.25 Auditors

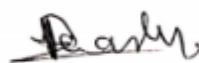
The Controller and Auditor General is the statutory Auditor of Sokoine University of Agriculture by the virtue of Article 143 of the Constitution of the URT of 1977 (revised 2005) and in Section 10 of the Public Audit Act No.11 of 2008.

BY ORDER OF THE COUNCIL



CHAIRPERSON
Hon. Justice Mohamed Chande Othman

Date: 20.02.2019



COUNCIL MEMBER

Date: 20.02.2019

**STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITIES FOR THE YEAR
ENDED 30 JUNE 2018**

The University Council is responsible for the preparation of the annual financial statements that give a true and fair view of Sokoine University of Agriculture (the University), comprising the statement of financial position as at 30 June 2018, and the statements of Financial performance, statement of changes in equity, statement of cash flows, statement of comparison of budget and actual amount for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with Accrual-International Public Sector Accounting Standards (IPSASs) and in the manner required by the SUA Charter, 2007.

The University Council is also responsible for such internal control as members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The University Council has made an assessment of the ability of the University to continue as a going concern and have no reason to believe that the University will not be able to operate in the year ahead.

The auditors are responsible for reporting on whether the annual financial statements give a true and fair view in accordance with Accrual-IPSASs requirements.

Approval of annual financial statements

The annual financial statements of Sokoine University of Agriculture, as identified in the first paragraph, were approved by the University Council on 20.02.2019 and signed on its behalf by:



CHAIRPERSON
Hon. Justice Mohamed Chande Othman

Date: 20.02.2019



COUNCIL MEMBER

Date: 20.02.2019

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING FOR THE YEAR ENDED 30 JUNE 2018

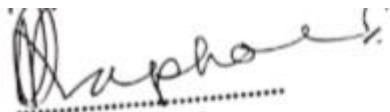
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible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

It is the duty of a Professional Accountant to assist the University Council /Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable Accrual-International Public Sector Accounting Standards (IPSASs) and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the University Council as under University Council Responsibility statement on page 23.

I **Peter Raphael** being the Head of Finance/Accounting of Sokoine University of Agriculture hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2018 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.



Peter Raphael

Position: Chief Financial Officer

NBAA Membership No.: ACPA 1012

Date: 20.02.2019.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

3.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

To: Chairman of the University Council,
Sokoine University of Agriculture,
PO Box 3000,
MOROGORO.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF SOKOINE UNIVERSITY OF AGRICULTURE FOR THE YEAR ENDED 30 JUNE 2018

Introduction

I have audited the accompanying financial statements of Sokoine University of Agriculture which comprise the statement of financial position as at 30th June, 2018 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 set out from page 26 to 63.

Opinion

In my opinion, the accompanying financial statements of the Sokoine University of Agriculture present fairly in all material respects, the financial position as at 30th June, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

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 Sokoine University of Agriculture 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.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Other information

The University Council is responsible for the other information. The other information comprises of the Council'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.

Management responsibility for the financial statements

The Council of the Sokoine University of Agriculture 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

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 as amended 2016 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.



Copy to: Chief Secretary,
State House,
P.O. Box 9120,
1 Barack Obama Road
11400 DAR ES SALAAM.

Permanent Secretary and Paymaster General,
Ministry of Finance and Planning,
Treasury Square Building,
P.O. Box 2802,
40468 Dodoma.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

Revenue	Note	2018 TZS	2017 TZS
Revenue from non-exchange transactions			
Government grants	5	49,653,455,730	47,576,028,641
Donor's research grant	6	20,600,994,576	19,018,888,923
Donor's donation		987,300,605	105,505,500
Revenue from exchange transactions			
Amortization of deferred asset grant	19	834,248,577	1,394,555,882
Foreign currency exchange gain/(loss)		36,725,247	15,607,064
Inventory write back of timber, poles and logs		11,274,883	0
Backlog Depreciation adjustments		0	1,108,017,235
(Loss)/gain arising from changes in fair value of biological assets	13	<u>609,894,061</u>	<u>(1,312,449,848)</u>
Total Revenue		<u>93,189,655,964</u>	<u>84,981,149,900</u>
Expenses			
Government grant expenses	8	49,253,811,882	47,323,381,342
Internal revenue expenses	9	16,950,253,013	15,546,644,000
Research grant expenses	10	20,600,994,576	19,018,888,923
Audit fees		528,097,347	502,416,000
Inventory write-off of timber, poles and logs		0	3,266,814
Depreciation of fixed assets	12	<u>2,595,858,242</u>	<u>2,993,661,705</u>
Total Expenses		<u>89,929,015,060</u>	<u>85,388,258,784</u>
Surplus/(deficit) for the year		<u>3,260,640,904</u>	<u>(407,108,884)</u>

The financial statements on pages 26 to 57 were approved for issue by the University Council and signed on its behalf by:



CHAIRPERSON

Hon. Justice (Rtal) M. Chande Othman

Date: 20.02.2019



COUNCIL MEMBER

Date: 20.02.2019

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 TZS	2017 TZS
Assets			
Non-current assets			
Property, plant and equipment	12	38,197,889,892	36,304,798,375
Biological assets	13	13,072,259,090	12,462,365,029
Intangible assets	14	<u>81,674,862</u>	<u>73,444,362</u>
		<u>51,351,823,844</u>	<u>48,840,607,766</u>
Current assets			
Inventories	15	236,524,907	189,448,815
Accounts receivable	16	4,297,582,155	9,230,548,974
Prepayments	17	748,361,393	372,130,914
Government grant receivable	18	8,152,073,947	10,188,672,066
Cash and bank balances	19	<u>14,118,867,138</u>	<u>15,596,857,080</u>
		<u>27,553,409,540</u>	<u>35,577,657,849</u>
Total assets		<u>78,905,233,384</u>	<u>84,418,265,615</u>
LIABILITIES			
Non-current liabilities			
Deferred asset grant	20	16,765,750,376	15,668,127,075
Tanzania Education Authority loan	21	<u>356,502,999</u>	<u>136,365,895</u>
		<u>17,122,253,375</u>	<u>15,804,492,970</u>
Current Liabilities			
Tanzania Education Authority Loan	21	0	220,137,104
Deferred income on donor grants	22	11,512,418,571	16,873,101,100
Accounts payable	23	<u>13,824,114,997</u>	<u>18,334,728,904</u>
		<u>25,336,533,568</u>	<u>35,427,967,108</u>
Total Liabilities		<u>42,458,786,943</u>	<u>51,232,460,078</u>
		<u>36,446,446,441</u>	<u>33,185,805,537</u>
Net Assets			
NET ASSETS/EQUITY			
Accumulated Surplus		<u>36,446,446,441</u>	<u>33,185,805,537</u>

The financial statements on pages 26 to 57 were approved for issue by the University Council and signed on its behalf by:



 CHAIRPERSON

Hon. Justice (Rtal) M. Chande Othman

Date: 20.02.2019



 COUNCIL MEMBER

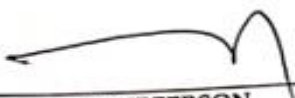
Date: 20.02.2019

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2018

	<u>Accumulated Surplus</u>	
	2018	2017
	TZS.	TZS
Accumulated surplus as at 1 July	33,185,805,537	33,592,914,421
Net surplus for the year	<u>3,260,640,904</u>	<u>(407,108,884)</u>
Accumulated surplus as at 30 June	<u>36,446,446,441</u>	<u>33,185,805,537</u>

The financial statements on pages 28 to 60 were approved for issue by the University Council and signed on *its behalf* by:



 CHAIRPERSON

Hon. Justice (Rtal) M. Chande Othman

Date: 20.02.2019



 COUNCIL MEMBER

Date: 20.02.2019

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

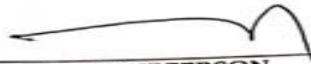
	2017/2018	2016/2017
	TZS	TZS
Cash flow from operating activities		
Receipts:		
Receipts from non-exchange transactions (Government)	49,585,404,731	47,882,066,027
Receipts from non-exchange transactions (Donor)	16,540,317,707	22,356,431,220
Receipts from Exchange transactions (Internal)	19,580,927,273	17,051,965,619
Gain/Loss on Exchange Fluctuation	112,707,229	3,696,752
Other Inflows	<u>90,477,389</u>	<u>181,912,538</u>
	<u>85,909,834,329</u>	<u>87,476,072,156</u>
Payments:		
Students Fee Refund and Accommodation		0
Receivable (Deposit and Prepayments)	1,066,625,295	709,146,022
Staff receivable	1,437,040,015	1,725,586,132
Payments to creditors	2,891,890,794	2,700,060,456
Financial Expenses(bank charges)	201,756,154	156,650,987
Wages, Salaries and Employee Benefit	50,531,872,931	49,247,821,229
Travel and Travel expenses	3,332,756,742	2,775,639,461
Repair and Maintenance Expenses	1,213,030,382	615,202,943
Office Supplies and Consumables	824,763,926	926,477,895
University Meeting Expenses	867,507,719	1,410,117,596
Insurance and Licence Expenses	162,719,114	170,884,492
Utility Expenses	1,728,833,066	1,346,659,567
Students Welfare Expenses	19,884,000	434,110,318
Students training and Research Expenses	2,693,542,064	2,413,294,016
University Examination Expenses	672,395,909	769,415,642
Staff Training and Development	137,464,004	697,641,180
Sport Gear Expenses	79,624,000	50,727,500
Marketing and Promotion	296,631,956	134,571,853
Vehicles and Motor Cycles Running Expenses	596,748,963	639,715,493
Postage &Telecommunication Expenses	520,025,761	422,730,022
Sanitation & Environment Expenses	501,979,165	305,535,674
Health Care services	259,985,994	299,917,382
Graduation Expenses	128,872,400	100,261,448
Workshop and Seminar Expenses	1,007,576,612	1,081,900,014
Headship and leadership Triennium		235,973,488
Payment to collaborative Institute	258,182,682	826,157,326
Legal Expenses	6,088,000	2,280,000
Rental and Hiring Expenses	54,643,779	44,914,256

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018


Statement of Cash Flows (Continued)

Cash flow from operating activities	2017/2018 TZS	2016/2017 TZS
Institution Fees		623,502,730
Security & Safety Expenses	319,354,378	395,315,651
Laboratory Chemicals & Other consumables	510,973,510	331,925,065
Subscription, Gifts and Donations	505,456,406	261,794,611
Human Resources Expenses	448,450,446	393,261,397
Animal Feed and Treatment Expenses	121,993,149	140,312,564
Social Welfare Expenses	165,241,823	167,000,820
Audit & Verification Expenses	562,311,336	782,004,631
Extra duty support Expenses	274,703,000	95,069,275
Generator fuel Expenses	32,544,560	4,222,576
Purchase of small Tools	72,097,830	234,628,147
Computer and Computerization Expenses	18,981,260	613,263,755
Entertainment Expenses	30,550,000	30,227,260
Printing & Publication Expenses	58,479,762	36,848,406
Research, Teaching and Outreach Expenses	8,280,506,703	7,892,017,958
Payment of Statutory Salaries deductions and others	0	42,572,815
Office Tea, Bites and Soft drinks	189,968,693	70,839,543
Other Operational costs	<u>1,485,186,094</u>	<u>1,001,541,846</u>
Net cash flow from operating activities	<u>84,569,240,377</u>	<u>83,359,741,442</u>
	<u>1,340,593,952</u>	<u>4,116,330,714</u>
Cash flow from investing activities		
Acquisition of Property, Plant and Equipment (PPE)	(903,644,704)	(410,674,713)
Addition to Capital Work in Progress	<u>(1,914,939,190)</u>	<u>(958,092,411)</u>
Net cash flow from investing activities	<u>(2,818,583,894)</u>	<u>(1,368,767,124)</u>
Cash flow from financing activities		
Repayment of TEA loan		<u>(123,157,670)</u>
Net cash flow from financing activities		<u>(123,157,670)</u>
Net increase/decrease in cash	(1,477,989,942)	2,624,405,920
Cash at the Beginning of the Period*	<u>15,596,857,080</u>	<u>12,972,451,160</u>
Cash at the End of the Period	<u>14,118,867,138</u>	<u>15,596,857,080</u>

The financial statements on pages 28 to 60 were approved for issue by the University Council and signed on its behalf by:



CHAIRPERSON
 Hon. Justice (Rtal) M. Chande Othman
 Date: 20.02.2019



COUNCIL MEMBER
 Date: 20.02.2019

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2018

Description	<u>Budget Amounts</u>		Actual Amounts on Comparable Basis	Variance: Final Budget and Actual	Performance Percentage
	Original	Final			
Revenue					
Appendix					
	TZS.	TZS.	TZS.	TZS.	%
Revenue from non-Exchange Transactions (Government)	51,999,177,392	51,999,177,392	49,585,404,731	2,413,772,661	95
Revenue from non-exchange transactions (Donor)	25,114,355,212	25,114,355,212	16,743,502,325	8,370,852,887	67
Revenue from exchange transaction (Internal revenue)	<u>18,520,929,775</u>	<u>18,520,929,775</u>	<u>19,580,927,273</u>	<u>-1,059,997,498</u>	<u>106</u>
Total Revenue	<u>95,634,462,379</u>	<u>95,634,462,379</u>	<u>85,909,834,329</u>	<u>9,724,628,050</u>	<u>90</u>
Expenses					
Non exchange transaction Expenditure (Government)	51,999,177,392	51,999,177,392	48,687,656,435	3,311,520,957	94
Non Exchange Transaction Expenditure (Donor)	25,114,355,212	25,114,355,212	20,914,614,073	4,199,741,139	83
Exchange Transaction Expenditure (Internal revenue)	<u>18,520,929,775</u>	<u>18,520,929,775</u>	<u>17,785,553,763</u>	<u>735,376,012</u>	<u>96</u>
Total Expenditure	<u>95,634,462,379</u>	<u>95,634,462,379</u>	<u>87,387,824,271</u>	<u>8,246,638,108</u>	<u>91</u>

Comments on the Budget

The amounts in the financial statements were recast from the International Public Sector Accounting standards (IPSA'S) accrual basis to the cash basis, to be on the same basis as the final approved budget. The approved budget covers the period from July 1st, 2017 to June 30th, 2018.

Sokoine University of Agriculture has three major sources of revenue, hence its budgets is prepared in three sub set of sources. The reasons for the variances are explained based on sources as below:-

- (a) The variances noted in government income against budget is a net off of the unremitted budgeted amount for Development fund and fund budgeted for staff recruitment and; terminated and retired staff.
- (b) The budget of Donor funded projects, depended on the projects implementation periods and are predetermined during the proposal writing. The releases of funds by the Donors are done annually, semi-annually, or quarterly depending on the agreement requirements. Usually at the year end, given a number of reasons, including delay in receiving of funds, which for some projects are channeled through the Government, weather conditions by some activities and others waiting for up-scaling approval. Some activities remain unimplemented at year end. Therefore, the carried over amount from the previous year was caused by the aforesaid reasons hence the noted variance.
- (c) The noted variance in internal revenue of underutilization was caused by year end accrued charges that were paid subsequently.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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NOTES TO THE FINANCIAL STATEMENTS

1 Reporting Entity

Sokoine University of Agriculture (SUA) was established out of the former Faculty of Agriculture, Forestry and Veterinary Science of the University of Dar es Salaam on 1 July 1984 by Act No 6 of Parliament. This Act was later repealed by the Universities Act of 2005, which resulted into granting a SUA Charter of 2007.

Currently SUA has four campuses: The Main Campus and Solomon Mahlangu Campus (SMC) which are located within Morogoro Municipality, the Olmotonyi Campus in Arusha and the Mazumbai Campus in Lushoto, Tanga region.

The address of the University is: Sokoine University of Agriculture, PO Box 3000 Morogoro. Tel: + 255 23 2603511-4; Telefax: + 255 23 2604651; E-mail: vc@sua.ac.tz; and Website: www.sua.ac.tz.

2 Significant Accounting Policies

2.1 Basis of preparation

a) Statement of compliance with International Public Sector Accounting Standards (IPSASs-Accrual)

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs - Accrual) and its interpretations as developed by International Public Sector Accounting Standards Board (IPSASB). One of the four independent standard setting Board supported by International Federation of Accountants. (IFAC).

b) Basis of measurements

The financial statements have been prepared on the historical cost basis except for biological assets; and financial instruments measured at fair value whose changes have been measured through the Statement of Financial Performance.

c) Functional and presentation currency

SUA has multiple functional currencies including Great Britain Sterling Pound, Euro, US Dollar, and Tanzanian Shilling as a result of having several donors with different sets of Agreements. However, these financial statements are presented in Tanzanian shillings (TZS) which is the University's functional currency.

d) Use of estimates and judgements

The preparation of financial statements is in conformity with International Public Sector Accounting Standards - (IPSASs Accrual) that requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed separately as a note

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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to the Financial Statements and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2 Significant Accounting Policies (Continued)

e) Date of First Adoption of IPSAS-Accrual Basis.

The date of adoption of IPSASs-Accrual Basis is the date that an entity adopts IPSASs-Accrual basis for the first time. It is the start of the reporting period in which the first time adopter adopts IPSASs-accrual basis and for which it presents its first transitional IPSAS - Accrual - financial statements.

e) Date of First Adoption of IPSAS-Accrual Basis. (Continued)

The date of first adoption of Accrual Basis IPSASs for Sokoine University of Agriculture is 1st July, 2014; the beginning of the earliest period for which the Sokoine University of Agriculture presents its first transitional IPSAS financial statements or its first IPSAS financial statements.

f) IPSAS 33 - FIRST-TIME Adoption of Accrual Basis International Public Sector Accounting standards (IPSAS-Accrual).

A first-time adopter applies this standard if its first IPSAS-Accrual Financial statements are for a period beginning on or after January 1, 2017 although earlier adoption is permitted. This standard is applied from the date on which a first time adopter adopts accrual basis IPSASs and during the period from the date on which a first time adopter adopts accrual basis IPSASs and during the period of transition. This standard permits a first-time adopter to apply transitional exemptions and provisions that may impact fair presentation. Sokoine University of Agriculture has prepared its first annual financial statements under Accrual Basis IPSAS in which the Management can make an explicit and unreserved statement in those financial statements of compliance with IPSASs whereby, these financial statements following the adoption of accrual basis IPSASs will also be the first IPSAS financial statements under full compliance with Accrual Basis IPSASs and has made earlier application of IPASS 33 without any transitional exemption and provisions

g) International Public Sector Accounting Standards (IPSAS) not yet Mandatory

Effective for annual period beginning on or after	New Standard
January 1, 2017	IPSAS 34 separate Financial Statement Separate financial statements are those presented by an entity, in which the entity could elect, subject to the requirements in this Standard, to account for its investments in controlled entities, joint ventures and associates either at cost, in accordance with IPSAS 29, Financial Instruments: Recognition and Measurement or using the equity method as prescribed in IPSAS 36, Investments in Associates and Joint Ventures
January 1, 2017	Consolidated Financial Statement - IPSAS 35 Consolidated financial statements are the financial statements of an economic entity in which the assets, liabilities, net assets/equity, revenue, expenses and cash flows of the controlling entity and its controlled entities are presented as those of a single economic entity.
January 1, 2017	Joint Arrangements - IPSAS 37 A joint arrangement is an arrangement of which two or more parties have joint control.
January 1, 2017	Disclosure of interest in other entities - IPSAS 38 Disclosure of An interest held by an entity that participates in, but does not have joint

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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	control of, a joint arrangement unless that interest results in significant influence over the arrangement or is an interest in a structured entity.
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2 Significant Accounting Policies (Continued)

2.2 Revenue Recognition

Sokoine University of Agriculture revenue is from Exchange Transactions (IPSAS 9) and Revenue from Non Exchange Transaction (IPSAS 23).

2.2.1 Revenue from Exchange Transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services rendered in the ordinary course of the University activities. Revenue is shown net of rebates and discounts.

The University recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the University and when specific criteria have been met for each of the University activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The University revenue from Exchange Transactions which are recognised in accordance with Accrued IPSASs comprisesof:

a) Tuition fees

Comprise of fee charged to non-degree programme, Undergraduate and postgraduate students undertaking various courses run by the University. Tuition fee is recognized in the accounting period in which the academic year relates.

b) Accommodation fees

Accommodation is synonymous to rental fee charged specifically to students undertaking various courses run by the University who stays in University available accommodation facilities during the period of study.

c) Institutional Fees

The University carries a number of researches funded by different donors whereby the University charges 10% institutional fees based on the amount received or spent in accordance to the signed agreement. To exercise flexibility where there is a difference between the standard rate and the agreed rate, the later supersede. In some cases, projects which are fully coordinated centrally, institutional fees for those projects are used to meet coordination expenses.

d) Hospital Revenue

The University has a hospital at Solomon Mahlangu Campus and a Health Centre at Main Campus serving students, employees and the neighbouring community. The

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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facility charges consultation; patients' admission; and medical fees; and also realizes revenue from sales of drugs and laboratory tests.

2 Significant Accounting Policies (Continued)

e) Rental Revenue

Rental Revenue is an income from properties other than investment property rented to staff for residential purposes and other members of the community for business during a period of time.

f) Sales of Forestry Products

The University has forest plantation at Olmotonyi Arusha Campus where forestry products are harvested; some semi processed and sold to the neighbouring community.

g) Farm Products

The University has different types of biological assets producing variety of products which are sold to the community.

h) Interest Revenue

The University recognises interest earned on a time proportional basis taking into account the effective yield on the respective assets net off the withholding tax. Interest earned for the University is mainly for the amount fixed in the banks in the form of Fixed Deposits.

i) Consultancy Revenue

The University has a Consultancy Bureau as an apex, linking consultancy units faculty-wise. The faculty wise consultancy units and individuals engaged in consultancy work contribute to the University according to the requirements of the consultancy policy.

2.2.2 Revenue from Non Exchange Transaction

Revenue from Non Exchange Transaction occur when the University receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Sokoine University of Agriculture receives revenue mainly from transfer; transfers are inflows of future economic benefit or services potential from Non Exchange Transactions other than taxes. Transfers, cash or non-cash include grants from Tanzania Government, Development Partners, Debts forgiveness, fines, bequests, gifts, donations, goods and services, and the off market portion of concessionary loans received. Revenue from Non Exchange Transactions is measured at the amount of the increase in net assets recognized by the entity. For Grants from Development Partners, normally there are conditions attached to the said grants that would give rise to a liability to repay the unspent amount, differed income is recognized instead of revenue.

Revenue from Non Exchange Transaction comprises of the following;

a) Subvention from the Government

Subvention, grants and assistance received from the Government are recognised as revenue when received by the University and treated as Revenue from Non Exchange Transaction.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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2 Significant Accounting Policies (Continued)

b) Revenue/income from Donors

An inflow of resources from Development Partners are recognised as assets as well as liability when received while revenue and expenditure from the same are recognised to the extent of the amount spent out of that asset in accordance with the conditions attached to the agreement.

c) Donation and contributions

Donation and contributions in kind and in cash are recognised as asset as well as revenue in the year received.

2.3 Property, plant and equipment

All categories of property, plant and equipment are initially recorded at historical cost. Subsequently, the assets are stated at historical cost, less accumulated depreciation and accumulated impairment in value. Historical costs include expenditure that is directly attributable to the acquisition or construction of the Property, Plant and Equipment. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss during the financial year in which they occurred.

Motor vehicles and motorcycles available for sale requested by SUA-Staff are transferred from SUA-Main account to SUA-Car Loan Fund for disposal. Gains or losses on disposal other than motor vehicles available for sale requested by SUA-staff are determined by comparing the disposal proceeds with the carrying amount and they are charged to profit or loss.

Depreciation

Depreciation is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:-

<i>Asset category</i>	<i>Rate p.a.</i>
Buildings	4.0%
Independent Water Source	4.0%
Farm Machinery	20.0%
Furniture & Equipment	15.0%
Computers	33.3%
Motor Vehicles	20.0%

Depreciation is charged on assets from the date when they are ready for use and no depreciation is charged in the year an asset is classified as non-current assets held for sale.

NOTES

2 Significant Accounting Policies (Continued)

Major Renovations

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

Carrying Amount

Property, plant and equipment are reviewed whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Disposal

Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the statement of financial performance.

Capital work in progress

Work-in-progress consists of the cost of assets, labour and other costs associated with property, plant and equipment being constructed by the University. Once the asset becomes operational, the related costs are transferred from work-in-progress to the appropriate asset category and start to be depreciated.

2.4 Investment Property

Investment Property refers property (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation or both, rather than for:

- (a) Use in the production or supply of goods or services or for administrative purposes;
- or
- (b) Sale in the ordinary course of operations.

2.5 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

2.6 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Initial Recognition

An intangible asset is measured at cost if and only if:

- i. It is probable that the expected future economic benefit or service potential that are attributable to the asset will flow to the University; and
- ii. The cost or fair value of the asset can be measured reliably.

Subsequent Recognition

The accounting policy is to recognise subsequently an intangible asset at fair value in accordance with IPSAS 31.

Computer software

The University has a number of computer software and the costs associated with developing or maintaining computer software programs are recognized as expenses as and when incurred. Costs that are directly associated with identifiable and unique software products are recognized as intangible assets. Expenditure that enhances the performance of

NOTES

2 Significant Accounting Policies (Continued)

Computer software programs beyond their original specifications is recognized as capital improvement and added to the original cost of the software. Computer accounting software is regarded as having indefinite useful life; therefore, it is not amortized but tested for impairment annually.

2.7 Non - current assets held for sale

Non-current assets held for sale represent assets that the University Council has approved for disposal and they are expected to be disposed of not more than twelve months after reporting date. No depreciation is charged on such assets.

2.8 Biological assets

Biological assets comprise forestry, fruit trees, seedlings and vegetables and livestock.

Livestock is measured at fair value less estimated cost to sale, based on market prices at auction of animals of similar age, breed and genetic merit with adjustments, where deemed necessary, to reflect the differences.

The fair value of livestock younger than ten weeks cannot be reliably estimated due to the high mortality rates and are carried at cost less impairment. These assets are not depreciable.

Fruit trees (plantation crops) and forestry assets (growing timber) are measured at fair value less costs to sale based on the present value of estimated pre-tax net cash flows. Costs to sale include the incremental selling costs, including harvesting, saw milling and handling costs.

Seedlings and vegetables are measured at cost.

Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair value less estimated point-of-sale costs are recognised in the statement of financial performance in the year in which they arise. All costs of breeding, planting, upkeep and maintenance of biological assets are recognised in statement of financial performance in the period in which they are incurred. The cost of purchase of livestock plus associated transportation charges are capitalised as part of biological assets.

2.9 Inventories Valuation

Inventories are valued at lower of cost and net realisable value, except where inventories are acquired through a non-exchange transaction, their cost shall be at the lower of cost and current replacement cost where they are held for:

- i. Distribution at no charge for a nominal charge; or
- ii. Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method less provision for impairment.

NOTES

2 Significant Accounting Policies (Continued)

Agricultural produce

Agricultural produce at the point of harvest is measured at fair value less estimated point-of-sale costs. Any changes arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs are recognised in the statement of financial performance in the year in which they arise.

Timber Produce

The fair value less estimated point-of-sale costs of harvested timber is determined based on the market prices of the final product, taking into account conversion costs.

Finished Goods

The cost of finished goods comprises the fair value less estimated point-of-sale costs of agricultural produce at the point of harvest, the cost of raw materials and direct labour, and other direct costs and related production overheads. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

This method of valuation is consistent with that of previous years.

2.10 Deposits, Prepayments and Accounts Receivable

Deposits, Prepayments and Accounts Receivable are recognized initially at fair value and subsequently measured at amortised cost less provision for impairment.

If collection of the receivable or the utilisation of prepayments is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Provision for Receivables

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of financial performance.

2.11 Cash and Cash Equivalents

For the purpose of cash flow, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities. For the purpose of cash flow statement, cash and cash equivalents include restricted funds.

Short-term Investments

Short-term investments represent valuables or cash that have been deposited in fixed deposit account during the year and still held in those accounts as at 30th June, 2018.

2.12 Foreign Currency Transactions

Initial Recognition A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

NOTES

2 Significant Accounting Policies (Continued)

Reporting at Subsequent Reporting Date

At each reporting date:

- a) Foreign currency monetary items shall be translated using the closing rate;
- b) Non monetary items that are measured in terms of historical cost in foreign currency shall be translated using the exchange rate at the date of the transaction; and
- c) Non-monetary items that are measured at fair value in foreign currency are translated using exchange rates at the date when the fair value was determined.

Recognition of Exchange Differences

Exchange differences arising from:

- a) The settlement of monetary items, or
- b) Translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, are recognised in surplus or deficit in the period in which they arise.

When gain or loss on a non monetary item is recognised directly in net assets/equity, any exchange component of that gain or loss is recognised in surplus or deficit, any exchange component of that gain or loss is recognised as surplus or deficit.

Functional and presentation currency

The financial statements are presented in Tanzania Shillings, which is the University's functional and presentation currency.

Foreign currency translations

Transactions in foreign currency are translated into Tanzanian shillings at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities at the year-end expressed in foreign currencies are translated into Tanzanian shillings at the rates of exchange ruling at the end of the financial year. The resultant gains/losses on exchange rate translations are dealt with in the statement of financial performance.

2.13 Provisions

Provisions are recognized when the University has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

When the University expects a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

2.14 Grant recognition

Grants from the government and donors are recognised at their fair value where there is reasonable assurance that the grant will be received and the University will comply with all attached conditions.

Grant from Government

Cash received from the government is recognised as revenue from non exchange transaction in accordance to Accrual IPSAS 23.

NOTES

2 Significant Accounting Policies (Continued)

Grants from Donors

Grants from donors include:

i. Cash received

Recognition of cash received from donors depends on conditions attached to the agreement entered between the University and donors and or between the Government of the United Republic of Tanzania and the Government of the Donor.

Depending on the condition attached to the agreement, SUA recognizes cash received from Donor as asset and liability under deferred income. The spending during the year is recognised as revenue from non exchange transactions as well as expenditure.

ii. Property, Plant and Equipment

Donor grants relating to property, plant and equipment are included in non-current liabilities as deferred donor grants and are credited to the income statement on a straight line basis over the expected useful lives of the related assets.

2.15 Payables and Accrued Charges

Payables are recognised at fair value. Other payables are recognised when incurred through either enjoyment of services on credit and/or receiving of goods supplied on credit.

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

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of financial performance in the period in which they are incurred.

2.17 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Employee benefits include short term employee benefit, post-employment benefits, termination benefits and other long term employee benefits.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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2 Significant Accounting Policies (Continued)

Short-term employee benefit

Short-term employee benefits include terms such as:

- a) Wages, salaries, and social security contributions;
- b) Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the period in which the employees render the related employee service; and
- c) Non-monetary benefits (such as medical care, housing, cars, and free or subsidized goods or services) for current employees.

Accounting for short-term employee benefits is generally straight forward, because no actuarial assumptions are required to measure the obligation or the cost, and there is no possibility of any actuarial gain or loss. Moreover, short-term employee benefit obligations are measured on undiscounted basis.

Therefore, the cost of all short term employee benefits such as salaries, employees leave pay and house allowance are recognized in the Statement of Financial Performance during the period in which the employees render services.

Defined contribution Plans

Defined contribution plans are post-employment benefit plans under which the University pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior period.

University staffs are covered under defined contribution plans in which every staff contributes a percentage as prescribed by the Fund. The University contributes to defined contribution retirement benefit schemes for all its employees based on the following rates of contributions for each fund:

Scheme	Percentage Contributions		
	Employee	Employer	Total
	%	%	%
Public Service Security Fund (PSSF)	5	15	20
National Social Security Fund (NSSF)	10	10	20

The University's contributions to the defined contribution schemes are recognised as an employee benefit expense in the statement of financial performance when they fall due. The University has no further payment obligations once the contributions have been paid.

Effective from July, 2011, employer's contributions have been remitted to the funds by the Treasury in accordance with Circular No. C/BA54/328/01/15. However, short term employees who are employed by the University and their salaries are paid by the Research Projects or the University, their 10% employer contribution are paid by respective projects or the University to the National Social Security Fund (NSSF). For employees especially retired academic members of staff who are on contractual basis granted by the Government are paid their gratuity (25% of their salaries) by the Government through PSSF upon expiry of the contract.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES

2 Significant Accounting Policies (Continued)

2.17 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3 Critical accounting estimates and judgments

The University makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other variable factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Biological assets

In measuring fair value of biological assets, management estimates and judgments are required for the determination of fair value. These estimates and judgments relate to the market prices, average weight, age and quality of animals, fruit trees and forestry.

University tests annually whether biological assets have suffered any impairment, in accordance with the accounting policy stated in note 2.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The carrying amounts of the biological assets and key assumptions made in estimating these amounts are set out in Note 15.

4 Financial Risk Management

The University's principal financial instruments comprise of loans, fixed deposits, trade payables and trade receivables. The University has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations.

The main risks arising from the University's financial instruments are market risk, liquidity risk and credit risk which are summarized below:

(a) Market risk

Foreign currency exchange risk

The University has current assets (bank balances) and liabilities which are denominated in US Dollars (USD), Great Britain Pounds (GBP) and Euro. These are subject to exchange rate fluctuations. However, this exposure does not result in a significant risk as foreign currency assets and liabilities are normally settled within a fairly short time.

At 30 June 2018, if the functional currency had strengthened/weakened by 5% against the USD, GBP and EURO with all other variables held constant, effect on surplus or deficit mainly due to translation of bank balances would have been lower/higher as follows:

	2018	2017
	TZS	TZS
United States Dollars (USD)	4,543,308,488	8,499,668,043
Great Britain Pound (GBP)	121,651,830	100,822,044
Euro	902,499,250	1,087,971,032

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES

4 Financial risk management (continued)

(b) Cash flow and fair value interest rate risk

The University's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the University to cash flow interest rate risk which is partially offset by cash held at variable rates. When borrowings are at a fixed rate, the University is exposed to fair value interest rate risk. The University's long term borrowing is at a fixed interest rate, however, the fair value interest rate risk is considered negligible to have any impact on the statement of financial performance.

(c) Liquidity risk

Liquidity risk is the risk that suitable sources of funds for the University's activities may not be available and thus the University may not be able to fulfil its existing and future cash flow obligations.

The University's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the University's reputation.

The table below analyses the University's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Less than 1 year TZS	Between 1 and 2 years TZS	Between 2 and 5 years TZS	Total TZS
At 30 June 2018	356,502,999			356,502,999
Tanzania Education Authority loan				
Accounts payable	13,824,114,997			13,824,114,997
	<u>14,180,617,996</u>			<u>14,180,617,996</u>
At 30 June 2017				
Tanzania Education Authority loan	136,365,895	220,137,104		356,502,999
Accounts payable	17,334,728,904			17,334,728,904
	<u>17,471,094,799</u>	<u>220,137,104</u>		<u>17,691,231,903</u>

(d) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the University. Potential concentration of credit risk consists principally of bank balances and trade receivables. Credit risk is considered as part of the risk-reward balance of doing business. On entering into any business contract, the extent to which the arrangement exposes the University to credit risk is considered.

Trade receivables are presented net of allowance for doubtful debts. Accordingly, the University has no significant concentration of credit risk which has not been insured or adequately provided for with respect to the trade and other receivables that are neither impaired nor past due. There are no indications as of the reporting date that the debtors will not meet their payment obligations.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES

4 Financial risk management (continued)

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to the University's direct customers (students), including outstanding receivables and committed transactions. For the University, only reputable banks are used as custodians of the University's deposits. The selection of students is mainly based on their academic performance and most students are selected by the Tanzania Commission for Universities (TCU).

The amount that best represents the University's maximum exposure to credit risk is the carrying value of its financial assets in the statement of financial position. These are as shown in the table below:

Financial assets	2018 TZS	2017 TZS
Accounts receivables (excluding prepayments)	4,297,582,155	9,230,548,974
Cash at bank and bank deposits	<u>14,118,867,138</u>	<u>15,596,857,080</u>
	<u>18,416,449,293</u>	<u>24,827,406,054</u>

No collateral is held for any of the above assets. Furthermore, the University does not grade the credit quality of receivables.

None of the above assets are past due or impaired except for the student fees receivables which are past due but not impaired. Student fees receivables are due at the start of the academic year in which they are invoiced. As, such all the student fees receivables are considered to be past due.

The aging of the student fees receivable is as shown in the table below:

	2018 TZS	2017 TZS
Past due but not impaired:		
By up to 1 year	780,935,493	2,394,722,999
By 1 year to 2 years	986,742,651	1,422,052,894
Over two years	<u>330,550,059</u>	<u>970,107,968</u>
Total past due but not impaired	<u>2,098,228,203</u>	<u>4,786,883,861</u>

	2018 TZS	2017 TZS
Impaired Receivable	<u>362,507,434</u>	<u>158,028,492</u>

The above amounts have been fully provided for and net carrying amount is therefore zero.

4 Financial risk management (Continued)

(e) Capital risk management

The University's objectives when managing capital are to safeguard the University's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital.

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NOTES

	2018 TZS	2017 TZS
Tanzania Education Authority loan (Note 21)	356,502,999	356,502,999
Less: Unrestricted cash and cash equivalents (Note 18)	<u>(7,710,412,112)</u>	<u>(2,472,245,027)</u>
Net cash in excess of borrowings	(7,353,909,113)	(2,115,742,028)
Total reserves available	<u>36,446,446,441</u>	<u>33,185,805,537</u>
Gearing ratio	20%	6%

(f) Financial instruments by category

Financial instruments can be categorised as shown in the table below:

	2018 TZS	2017 TZS
Financial assets at amortised cost		
Accounts receivables (excluding prepayments)	4,297,582,155	9,230,548,974
Cash and bank balances	<u>14,118,867,138</u>	<u>15,596,857,080</u>
	<u>18,416,449,293</u>	<u>24,827,406,054</u>
Financial liabilities at amortised cost		
Tanzania Education Authority loan	356,502,999	356,502,999
Accounts payables (excluding statutory liabilities)	<u>12,386,835,780</u>	<u>17,736,969,666</u>
	<u>12,743,338,779</u>	<u>18,093,472,665</u>

5 Government Grants

The University recognized TZS 49,683,455,730 (2017: 47,576,028,641) as income including recurrent and development income as shown below:

	2017/2018 TZS	2016/2017 TZS
Government Subvention Received:		
Recurrent Grants	47,253,455,730	47,276,028,641
Development Grants	<u>2,400,000,000</u>	<u>300,000,000</u>
Total	<u>49,653,455,730</u>	<u>47,576,028,641</u>

6 Donors' Research Grants

The University recognized TZS 20,600,994,576 (2017: TZS 19,018,888,923) as income, equivalent to the expenditure incurred for the research projects carried out by the University during the year under review. Tzs. 1,985,950,129 (2017- Tzs.1,381,229,875) was spent for capital expenditure and reflected in these Financial Statements under deferred assets Note 20

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES

7 Revenue from Exchange Transactions	<u>2017/2018</u> TZS	<u>2016/2017</u> TZS
Farm products	325,777,879	255,386,998
Sale of wood products	588,766,778	406,945,750
Tuition fees	14,004,650,764	12,392,105,549
Institutional fees	226,787,403	953,119,024
Accommodation fees	735,774,706	753,437,793
Application and extension fees	249,596,240	86,265,600
Rental Income	606,998,510	459,658,280
Laboratory services	53,323,569	12,553,058
Water and electricity bills recoveries	43,475,000	113,438,627
Tender documents	0	5,526,400
Sale of food and beverage	18,756,910	31,685,800
Hospital income	1,347,254,476	852,558,074
Consultancy Income	128,400	89,033,000
Vehicle Income	0	41,668,381
Creditor's Written Back	1,624,951,100	0
Gain on disposal of fixed assets	17,225,326	0
Miscellaneous income	<u>612,295,224</u>	<u>621,614,169</u>
Total	<u>20,455,762,285</u>	<u>17,074,996,503</u>
8 Government Grant Expenses	2017/2018 TZS	2016/2017 TZS
Personnel emoluments	47,181,330,731	47,320,095,410
Salary arrears written off	2,071,063,171	-
Rent, Rates and Taxes	0	2,106,600
Bank Charges and Commission	<u>1,417,980</u>	<u>1,179,332</u>
Total	<u>49,253,811,882</u>	<u>47,323,381,342</u>

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES

9 Internal Revenue Expenses	2017/2018	2016/2017
	TZS	TZS
General expenses	603,539,257	594,369,366
Personnel emoluments	1,282,327,743	1,065,615,348
Travel and subsistence allowances	668,754,150	636,505,107
Foreign travel	43,762,950	55,816,756
Consultancy expenses	71,890,408	34,448,232
Leave travelling expenses	175,011,930	148,365,550
Maintenance of motor vehicles and machinery	263,726,975	192,487,473
Office expenses and stationery	794,270,884	661,341,203
Fuel and lubricants	382,188,613	291,098,326
Printing and publishing	33,530,287	48,145,000
Maintenance of office furniture and equipment	157,119,987	107,322,854
Legal expenses	6,088,000	2,280,000
Convocation expenses	15,580,000	9,720,000
Uniforms	0	3,942,000
Tender board expenses	14,210,000	19,852,857
Entertainment expenses	31,775,000	31,147,260
Water and electricity charges	1,740,778,813	1,517,523,515
Training costs	80,959,970	64,652,846
Newspapers and magazines	0	20,981,600
University budget expenses	71,209,000	111,951,000
Medical expenses	246,229,975	413,005,737
Maintenance of buildings, roads and sewage system	786,144,938	393,505,984
Animal feeds and drugs	107,996,125	111,356,601
Telephone, internet, and e-mail	389,197,513	306,345,223
Council meetings, administrative and academic meetings	735,086,297	1,069,134,961
Workshop and seminars	237,283,768	92,891,576
Bank charges	48,548,505	32,999,527
Rental, rates and taxes	54,355,036	23,267,780
Graduation ceremony	148,752,400	90,541,448
Examination expenses	743,928,579	959,148,002
Independent water source expenses	63,932,600	73,846,180
Exhibition expenses	174,954,000	79,062,240
Security expenses	423,006,200	451,236,000
Games and sports expenses	86,624,000	49,900,000
Advertisement expenses	82,093,188	14,800,350
Sanitation expenses	440,020,292	341,489,675
Burial expenses	111,581,410	110,491,770

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES

9 Internal Revenue Expenses (Continued)	<u>2017/2018</u> TZS	<u>2016/2017</u> TZS
Teaching materials	98,364,800	247,634,686
Award for retired staff	54,470,413	63,513,750
Field practical, dissertation and thesis expenses	1,032,996,018	804,719,623
Report writing and Compilation	361,692,056	208,413,826
Computer expenses	24,235,350	8,630,559
Honorarium and Triennium expenses	110,846,283	96,830,488
Clearing and forwarding expenses	17,393,177	10,920,000
Purchase of small tools expenses	117,642,830	127,112,700
Contributions and subscriptions	79,192,886	233,016,806
Laboratory chemicals and drugs	228,654,221	156,083,633
Cooperate strategic planning cost and coordination expenses	50,040,000	139,143,000
Extra duty, extra time and other activities expenses	295,165,500	94,490,575
Data entry, students administration, and students support	709,227,095	432,304,800
Research coordination expenses	3,230,000	5,613,780
Pesticides, insecticides and herbicides expenses	17,352,300	374,000
Student record's administration expenses	37,634,000	61,245,900
Heavy teaching load, part-time lectures and extra teaching hours	299,127,000	396,919,768
Manpower, personnel and payroll expenses	202,440,140	200,093,688
Internal audit and verification expenses	126,638,295	171,261,188
Special committees and task force expenses	240,939,870	289,856,700
Cafeteria, catering expenses	10,598,900	10,190,400
Interview expenses	22,502,000	5,007,000
Bad and Doubtful Debts	440,510,500	362,563,420
Student Supervision Honorarium	134,627,050	87,697,485
Forest & Silviculture expenses	210,799,452	122,722,544
Quality Assurance and Accreditation expenses	50,000,000	0
Sponsored Student Upkeep and Settlement	56,504,034	60,516,960
Insurance & Licence	146,121,537	176,637,374
Documentation, Publication and Dissemination	234,618,013	569,149,000
Clinical Hospital Expenses	60,870,000	139,891,000
Councillor's Fee	0	33,500,000
Environmental Conservation Expenses	80,130,500	0
Sokoine memorial lecture	79,230,000	0
Total	<u>16,950,253,013</u>	<u>15,546,644,000</u>

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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10 Research Grant Expenses	2017/2018	2016/2017
	TZS	TZS
General expenses	172,800,964	252,921,108
Personnel emoluments	2,173,074,394	1,749,061,082
Travel and subsistence allowances	2,626,431,740	1,597,579,937
Foreign travel	480,259,123	705,212,494
Consultancy expenses	54,650,440	103,577,731
Leave travelling expense	4,934,760	15,092,185
Maintenance of motor vehicles and machinery	121,405,188	141,341,077
Office expenses and stationery	425,574,342	114,741,172
Fuel and lubricants	164,228,345	153,794,181
Printing and publishing	28,342,800	19,753,406
Maintenance of office furniture and equipment	19,030,749	32,967,245
Training costs	2,721,671,870	2,919,974,617
Newspapers and magazines	532,654	8,235,512
Medical expenses	60,922,751	0
Maintenance of buildings, roads and sewage system	268,223,527	200,632,237
Animal feeds and drugs	20,189,900	66,523,000
Postage and Telecommunications	126,780,105	71,765,232
Administrative and academic meetings	152,763,382	166,302,005
Workshop and seminars	1,034,369,439	1,165,780,810
Bank charges	129,022,815	123,052,538
Insurance	16,528,423	87,201,070
Rental, rates and taxes	3,386,865	19,159,876
Security expenses	17,284,615	10,200,821
Advertisement and promotion expenses	127,035,923	48,595,563
Sanitation expenses	30,606,553	28,472,249
Research and teaching materials	781,027,712	395,511,872
Laboratory Consumables	349,687,182	202,298,960
Field practical, dissertation and thesis expenses	1,446,941,578	710,050,423
Research Proposal and report writing Expenses	238,827,144	771,753,105
Extension/farmer research expenses	215,303,627	321,936,170
Computer expenses	110,635,594	604,633,196
Purchase of small tools expenses	51,649,178	208,450,045
Contributions and subscriptions	0	10,399,073
Data Entry and Students administration expenses	166,146,345	575,494,341
Hotel expenses	15,600,000	192,840,317
Audit fee and expenses	211,309,279	415,642,937
Clearing and forwarding expenses	20,612,861	132,499,664
Research administration support expenses	2,854,209,459	2,784,885,503
Purchase of journals and periodicals	348,203,077	0
Institutional costs	250,719,257	623,502,732
Collaborative institute expenses	2,173,433,636	930,302,022
Short courses expenses	0	0
Supervision honorarium expenses	107,471,834	39,755,672
Electricity and gas expenses	3,783,425	6,321,577
Monitoring and evaluation expenses	99,170,860	246,484,242
Special committees and task force expenses	<u>176,210,861</u>	<u>44,189,924</u>
Total	<u>20,600,994,576</u>	<u>19,018,888,923</u>

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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12 Property, Plant and Equipment

Particulars	Land TZS	Buildings TZS	Plant and machinery TZS	Furniture and equipment TZS	Computers TZS	Motor vehicles TZS	Independent water source TZS	Sub-total TZS	Capital work in progress TZS	Total TZS
Year ended 30 June 2018										
Opening net book amount	66,442,500	25,316,884,275	105,036,774	4,026,846,019	686,549,046	1,350,380,380	540,190,208	32,092,329,202	4,212,469,173	36,304,798,375
Additions		587,378,043	-	772,344,408	663,733,397	350,395,400	0	2,388,166,387	2,194,374,236	4,568,225,484
Transfer		2,619,680,248	-	0	0	0	0	2,619,680,248	(-2619,680,248)	0
Disposal of Fixed asset		-	(10,086,600)	(111,831,708)	(432,938,535)	(271,104,305)	0	(825,961,148)	0	(825,961,148)
Depreciation of Disposed asset		-	9,077,940	100,164,684	393,448,925	243,993,874	0	746,685,423	0	743,685,423
Depreciation		(1,332,734,591)	(7,391,869)	(620,592,845)	(314,607,290)	(284,518,967)	(36,012,680)	(2,595,858,242)	0	(2,595,858,242)
Closing net book amount	66,442,500	27,191,207,975	96,636,245	4,166,930,558	992,185,543	1,389,146,382	504,177,528	34,410,726,731	3,787,163,161	38,197,889,892
At 30 June 2018										
Cost	66,442,500	41,975,967,942	646,048,098	12,263,794,315	4,479,537,303	6,455,591,344	900,317,000	66,787,698,502	3,787,163,161	70,574,861,663
Accumulated depreciation	0	(14,784,759,967)	(549,411,853)	(8,096,863,756)	(3,483,351,760)	(5,066,444,963)	(396,139,472)	(32,376,971,771)	0	(32,376,971,771)
Net book amount	66,442,500	27,191,207,975	96,636,245	4,166,930,559	996,185,543	1,389,146,381	504,177,528	34,410,726,731	3,787,163,161	38,197,889,892
Year ended 30 June 2017										
Opening net book amount	66,442,500	24,920,435,303	106,465,738	4,072,183,343	877,000,223	1,577,529,569	396,139,472	32,016,216,148	3,927,633,620	35,943,849,768
Additions		444,191,473	-	629,532,384	87,086,144	69,748,355	-	1,230,558,356	1,020,115,493	2,250,673,849
Transfer		735,279,940	-	-	-	-	-	735,279,940	(735,279,940)	0
Backlog Depreciation Adjustment		610,303,014	8,462,901	297,531,310	(84,284,767)	95,941,361	180,063,416	1,108,017,735	-	1,108,017,235
Depreciation		(1,393,325,455)	(9,911,865)	(968,320,246)	(193,252,554)	(392,838,905)	(36,012,680)	(2,993,661,705)	-	(2,993,661,705)
Closing net book amount	66,442,500	25,316,884,275	105,036,774	4,026,846,019	686,549,046	1,350,380,380	540,190,208	32,092,329,202	4,212,469,173	36,304,798,375
At 30 June 2017										
Cost	66,442,500	38,768,909,651	656,134,698	11,603,211,615	4,245,273,240	6,376,300,249	900,317,000	62,616,588,954	4,212,469,173	66,829,058,126
Accumulated depreciation		(13,452,025,376)	(551,097,924)	(7,576,365,596)	(3,558,724,194)	(5,025,919,869)	(360,126,792)	(30,524,259,751)	-	(30,524,259,751)
Net book amount	66,442,500	25,316,884,275	105,036,774	4,026,846,019	686,549,046	1,350,380,380	540,190,208	32,092,329,202	4,212,469,173	36,304,798,375

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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13 Biological Assets

	Livestock	Seedlings and Vegetables	Crops&Fruit trees	Growing timber	Total
	TZS	TZS	TZS	TZS	TZS
Year ended 30 June 2017					
At 1 July 2015	348,025,000	92,212,495	329,474,760	13,003,652,622	13,773,364,877
Acquisition of Sheep	1,450,000	-	-	-	1,450,000
Gain/(loss) arising from changes in fair value less estimated selling costs	24,725,000	(17,414,308)	52,263,068	(1,372,023,608)	(1,312,449,848)
At 30 June 2017	374,200,000	74,798,187	381,737,828	11,631,629,014	12,462,365,029
Year ended 30 June 2018					
At 1 July 2017	374,200,000	74,798,187	381,737,828	11,631,629,014	12,462,365,029
Gain/(loss) arising from changes in fair value less estimated selling costs	(24,985,000)	(33,111,187)	62,004,952	605,985,296	609,894,061
At 30 June 2018	349,215,000	41,687,000	443,742,780	12,237,614,310	13,072,259,090

The fair value of livestock was determined based on the market prices of similar age, breed and genetic merit.

Seedlings/vegetables are measured at cost and plantation crops are measured at fair value using discounted cash flow valuation model.

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13 Biological Assets (Continued)

Valuation of Growing Timber

Valuation of standing timber requires critical assumptions and estimates. The single most used valuation method for determination of fair-value of standing timber is a Discounted Cash Flow (DCF) model, though in rare cases a mixed method of historical cost and DCF were used. Historical cost was used to determine the value of young plants (saplings) where their volumes could not be determined.

The model took into account the following assumptions and estimates: forest management plan, land preparation costs, plants (seedlings) costs, planting, Silvicultural (pruning and thinning) costs, harvesting (clear felling/ logging and transportation) costs, forest access road maintenance costs, production costs of lumber (sawmilling), Management, Financing and Insurance costs, storage costs, timber species, class sites, growth rate (annual volume increment), forest produce prices, production recovery rate, discount rate and historical costs.

Seventeen point five six(17.56%) percent discount rate was used to discount future cash flows anticipated to flow to the University for sale of standing timber or/and related products. The discount rate was derived by adding two point four four (2.44%) percent risk assumed to be attached to Government organizations to the market rate of Treasury bill which was fifteen point one two (15.12%) percent in year 2016

The dynamics and sensitivity inherent in the DCF were carried out to determine how the Present Value (PV) model responded with varying discount rate, cost and revenue. Therefore, fair-value is stated net of point of sale costs.

14. Intangible Assets

	<u>2018</u>	<u>2017</u>
	TZS	TZS
Vote Book Software	36,010,050	26,669,550
Student Record Software	45,664,812	45,664,812
Total	81,674,862	73,444,362

The intangible assets are considered to have indefinite useful life because they are in-house developed to suit University's needs. Impairment review was performed during the year indicating that no provision is required.

15 Inventories

	2018	2017
	TZS	TZS
Stationery stock,s	1,449,130	744,250
Building materials	876,231	1,057,531
Cleaning materials	299,390	466,250
Spare parts	1,088,632	651,566
Timber and logs	144,504,936	108,614,433
Fuel	17,894,387	6,230,310
Human medicines	19,535,618	7,237,100
Chemicals	17,872,000	6,065,791
Hospital (Lenin) Consumables	24,402,000	25,008,500
Stake Firewood	9,127,195	33,742,815
Sub-total	237,049,519	189,818,546
Less: Provision for obsolete and damaged inventories	<u>524,612</u>	<u>369,731</u>
Total	236,524,907	189,448,815

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16 Accounts Receivable

Student fees receivable	2,098,228,203	4,786,883,861
Sundry receivables	505,253,238	800,093,865
Collaborative institute debtors	156,416,873	1,406,697,511
Staff loans and advances	6,947,150	6,947,150
Research imprests	830,138,256	1,022,963,266
Staff imprests	842,608,589	1,079,969,881
Project Debtors	2,600,000	2,600,000
Rental Debtors	168,520,090	187,989,976
Staff car loans	<u>49,377,190</u>	<u>94,431,956</u>
	4,660,089,589	9,388,577,465
Provision for impairment of receivables	<u>(362,507,434)</u>	<u>(158,028,492)</u>
Total	<u>4,297,582,155</u>	<u>9,230,548,974</u>

17 Prepayments Tzs.748,361,393

Prepayments represent amounts of Tzs.748,361,393 paid in advance to suppliers but goods/services has not yet received

18 Government Grant Receivable

The receivable balance of government grant at 30 June 2018 arose, from the fact that the amount that was actually received from the government was not enough to cover the actual expenditure incurred by the University.

The total amount receivable from government can be analysed as follows:

	2018	2017
	TZS	TZS
Staff House Allowance	2,678,269,141	2,678,269,141
Staff accrued charges	3,733,869,124	5,804,932,295
Payroll Deductions June 2018	223,391,159	330,861,065
Development funds for construction of students hostels not yet received from Government	<u>1,516,564,523</u>	<u>1,374,609,565</u>
Total	<u>8,152,093,947</u>	<u>10,188,672,066</u>

19 Cash and Bank Balance

Government Grant	876,274,389	(21,473,907)
Internal revenue	6,768,822,762	2,545,045,278
Donor funds (a)	6,408,455,026	10,579,566,775
Payable bank accounts (a)	<u>65,314,961</u>	<u>2,493,718,934</u>
Total	14,118,867,138	15,596,857,080
Less: Restricted funds (a)	<u>6,408,455,026</u>	<u>13,124,612,053</u>
Cash and cash equivalents	<u>7,710,412,112</u>	<u>2,472,245,027</u>

(a) The University maintains collection bank accounts with the central Bank of Tanzania in different currencies including Tanzania Shillings, United States Dollar, Euro and Sterling pound for donor fund. Also, maintains operational bank accounts in different currencies with the commercial banks to enhance daily activities of donor funds as guided by their respective research projects/programmes agreements and memorandum(s) of understanding. In monthly basis, the University draw funds from the collection bank

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accounts to the operational bank accounts to execute the planned activities. At the year end the total restricted funds amounted to TZS 6,473,769,987 (2017: TZS 13,073,285,709) and for purposes of the statement of cash flows are excluded from cash and cash equivalents.

20	Deferred Asset Grant	2018	2017
		TZS	TZS
	As at 1 July	15,668,127,075	15,475,852,271
	Acquisition of assets during the year	1,985,950,129	1,381,229,875
	Disposal of fixed asset	(54,078,252)	0
	Back Log Depreciation adjustments deferred asset	<u>0</u>	<u>205,600,811</u>
		17,599,998,952	17062,682,957
	Amortization for the year	<u>834,248,576</u>	<u>1,394,555,882</u>
	At 30 June	<u>16,765,750,376</u>	<u>15,668,127,075</u>

21 Tanzania Education Authority Loan

The University obtained a loan of TZS 982,754,930 in July 2011 from the Tanzania Education Authority for the purpose of financing the construction of Lecture Theatre II. As at 30 June 2014 a total of TZS 947,482,800(2013: TZS 947,482,800) had been disbursed to the contractor and has been recognised as borrowings. The loan carries the interest of 6% per annum. The loan and the interest are repayable annually over a five year period beginning 25 June 2012. The loan is unsecured but is guaranteed by the Ministry of Education and Vocational Training.

At July	2018	2017
	TZS	TZS
Balance as at 01 July,	356,502,999	479,660,669
Repayment on 15 June	-	(110,068,552)
Interest charged during the year		0
Interest paid on 25 June	<u>-</u>	<u>(13,089,118)</u>
At 30 June	<u>356,502,999</u>	<u>356,502,999</u>
Current liability	356,502,999	220,137,104
Non-current liability	<u>-</u>	<u>136,365,895</u>
At 30 June	<u>356,502,999</u>	<u>356,502,999</u>

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22 Deferred Income on Donors' Grants

	2018 TZS.	2017 TZS.
Cystinet Project	400,988,709	326,525,763
Africa Institute for Capacity Development (AICAD)	139,705	139,705
Association for Strengthening Agricultural Research in Central Africa (ASARECA)	4,800,000	4,800,000
Climate Change Impacts, Adaptation and Mitigation in Tanzania (CCIAM)	345,057,541	471,146,218
Danish International Development Agency(DANIDA) Pilot Research	121,997,829	108,617,205
Danish Government Institute for Seed Pathology (DGISP)	929,754	929,754
*Various Donors	5,653,893,019	5,367,074,664
Enhancement of Research Capacity in Developing Countries(ENRECA)	560	560
Enhancing Pro-Poor Innovations in Natural Resources and Agricultural Value-Chains (EPINAV)	48,110,691	75,117,842
Tanzania Japan Counterpart Fund	259,897	259,897
FIRCOP	7,007	7,007
Implementation and Cooperation of Agriculture Research and Training (ICART)	582,000	582,000
Network for Enhanced Research in Infectious Disease(NRN)	57,652,136	889,040,792
Norwegian Programme for Development, Research and Education (NUFU)	180,000	180,000
Rapid Envelope Funding (REF)	645,450	645,450
Southern African Center for Infectious Disease surveillance(SACIDS) – Funded by Google Foundation	0	81,507,180
Southern African Center for Infectious Disease surveillance (SACIDS) – Funded by Wellcome Trust	153,423,670	137,354,931
Securing Livelihood Through Pig Production (SLIPP)		
SMC Hospital Care and Treatment	152,747	140,947
Eastern Arch Mountain Conservation Endowment Fund(EAMCEF)	0	0
International Development Research Centre (IDRC)	9,058,442	8,930,764
Cysticercosis for Eastern and Southern Africa(CESA)	9,108,907	9,108,907
Strategic Partnership Agreement-STRAPA	5,329,971	4,435,196
Vlaamse Interuniversitaire Raad (VLIR)	902,438	902,438
Enhancing the Measuring ,Reporting &Verification of Forest in Tanzania (MRV)	27,000	22,586,412
SUA Afrique One Project	1,678,739	1,694,259
Enhancing Climate Change Impact & Mitigation -ECCIAM-Uluguru Mountain	1,120,589	6,922,870
World Bank Project	3,425,755	3,397,192
SUA SCIFOR Project	15,526,252	26,949,644
SUA TRAHESA Project	145,424,898	305,067,232
SUA-TZ/CAU-China project	0	0
SUA BSU Project	0	36,121,390
SUA TRANS-SEC PROJECT	146,595,392	185,960,347
SUA ACE IRPM	994,130,920	1,328,419,102
Afrique One Aspir	110,452,476	83,102,164
BOT Project	2,928,569,653	5,918,840,638
SUA-ESUA-621-IL-14-00011	77,838,902	1,218,209,702
National Carbon Monitoring Project	<u>274,407,522</u>	<u>248,382,928</u>
	<u>11,512,418,571</u>	<u>16,873,101,100</u>

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22 Deferred Income on Donors' Grants (Continued)

Various donors comprises of 112 projects funded by external partners and 4 projects funded by Governmental organizations within the United Republic of Tanzania. These donors have no separate bank accounts, hence the University maintains two bank accounts namely SUA Main Grant Research Accounts; local and foreign. The University exercises control and monitors grants of these donors by having revenue and cost centre in the computerized budgetary control and financial system, whereby, financial position of each donor can be determined.

23 ACCOUNTS PAYABLE	2018	2017
	TZS	TZS
Trade payables	1,878,539,625	1,778,882,371
Sundry payables	415,914,593	507,667,897
Provision for audit fees	731,718,703	582,866,077
Accrued charges	502,416,000	829,362,703
Interdepartmental	0	188,585,528
Student Payable	1,193,813,122	775,960,082
Project Creditors	329,985,306	744,680,499
Provision for Contribution to Health Fund	0	255,843,100
Staff Insurance Compensation Payable	0	8,460,608
Land Rent Payable	0	1,369,108,000
Research Grant Payable	4,405,000	369,884,300
Other short term liabilities	<u>8,767,322,648</u>	<u>10,923,427,739</u>
	<u>13,824,114,997</u>	<u>18,334,728,904</u>

24 Related Party Transactions

Below are the summarized transactions with related parties for the year:

i) Key management personnel and Council Members' remuneration:

Key management personnel include the Vice-Chancellor, the Deputy Vice-Chancellors and Council Members.

Description	2018	2017
	TZS	TZS
Salaries and allowances	4,730,461,438	5,035,796,056
Pension	575,626,472	612,532,912
Council Members fees	<u>48,920,000</u>	<u>48,920,000</u>
	<u>5,355,007,910</u>	<u>5,697,248,968</u>

In year 2018, salaries and allowances include: salaries amounting to TZS 3,837,509,816 (2017: TZS 4,083,552,744), house allowance TZS 460,800,000 (2017: TZS 489,600,000) and other allowances TZS 432,151,622 (2016: TZS 462,643,312)

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24 Related Party Transactions (Continued)

ii) Government and other institutions

	2018	2017
	TZS	TZS
Transactions with related parties include:		
Treasury: Government grant received in the year		
• Personnel emoluments	47,253,455,730	47,276,028,641
• Development	2,400,000,000	300,000,000
Government grant expenditure for the year	49,253,811,882	47,323,381,342
Commission for Science and Technology (COSTECH):		
• Postgraduates research costs	0	76,528,125
• Postgraduate fees		
Higher Education Students' Loan Board (HESLB)		
• Students fees	8,591,254,584	12,392,105,549
• Students allowances	16,010,673,381	22,644,631,201
Balances with related parties include:		
<i>Payables:</i>		
Tanzania Education Authority (TEA) loan	356,502,999	356,502,999
<i>Receivables:</i>		
Government grant receivable	8,152,073,946	10,188,672,066

- Treasury Debts (Government grant receivable) refers to outstanding unremitted funds to SUA pertaining to salaries and gratuity.
- TEA granted a loan to SUA with an interest rate of six percent (6%) for construction of Lecture Theatre. However, as at 30 June 2013 TZS 947.4 million (2012: TZS 744.3 million) had been disbursed to the Contractor M/S B. H. Ladwa.
- COSTECH funds relate to fees and research for postgraduate students.
- Higher Education Students Loan Board (HESLB) sponsors most of the SUA's undergraduate students.

25 Events after the Reporting Date

There were no other significant events after the reporting date which requires any adjustment in the financial statements.

26 Contingent Liabilities

The University had no contingent liabilities at the year-end. (2017: Nil)

27 Capital Commitments

The University had the following capital commitments:

	<u>2018</u>	<u>2017</u>
	<u>TZS</u>	<u>TZS</u>
Commitment contracted at 30 June	7,272,063,364	3,665,679,391
Authorised but not contracted	2,628,583,000	330,756,108
	<u>9,900,646,364</u>	<u>3,996,435,499</u>

28 Ultimate Controlling Party

The Government of the United Republic of Tanzania is the ultimate controlling party of the University.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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APPENDIX I

Revenue from non-exchange transactions- Government Grants

	Actual	Budget	Variances	
	2,017.18	2,017.18		
Revenue	TZS	TZS	TZS	Perform ance %
Government Grant-For Personnel Emoluments	45,808,533,471	51,999,177,392	6,190,643,921	88
Total	45,808,533,471	51,999,177,392	6,190,643,921	88

APPENDIX 2

Revenue from non-exchange transactions-Donor Grants

	Actual	Budget	Variances	
	2,017.18	2,017.18		
Revenue	TZS	TZS	TZS	Performa nce %
SUA AGRA PROJECT	69,923,413	551,987,100	482,063,687	13
INTRA ACP Mobility	122,668,278	1,102,000,000	979,331,722	11
SUA TRAHESA	252,694,033	330,762,019	78,067,986	76
Rural-Urban	-	118,845,126	118,845,126	-
SUA TRANS-SEC	157,833,215	326,458,800	168,625,585	48
Scholarships to Postgraduate students	-	500,000,000	500,000,000	-
SACIDS WELCOME PROJECT	165,676,502	1,600,000,000	1,434,323,498	10
NCMC- NATIONAL CARBON MONITORING CENTRE	1,290,821,948	2,819,257,306	1,528,435,358	46
AFRICAN CENTRE OF EXCELLENCY(ACE II) - SACIDS	2,806,946,410	2,380,869,945	426,076,465	118
AFRICAN CENTRE OF EXCELLENCY(ACE II) PEST MANAGEMENT CENTRE	1,257,475,127	2,380,869,945	1,123,394,818	53
SUA/IFPHTM-WELCOME TRUST	686,464,620	700,000,000	13,535,380	98
AFRIQUE ONE ASPIRE	296,330,761	297,175,856	845,095	100
Other Donors -Research Grant	9,636,668,016	12,006,129,115	2,369,461,099	80
Total	16,743,502,325	25,114,355,212	8,370,852,887	67

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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APPENDIX 3

Revenue from Exchange Transactions-Internal Revenue

Revenue	Actual	Budget	Variiances	Performance %
	2,017.18 TZS	2,017.18 TZS	TZS	
Student Fees	14,609,192,837.53	11,980,263,028	- 2,628,929,810	122
Application & Extensions Fees	177,037,789.31	68,960,000	- 108,077,789	257
Accommodation Income	735,774,705.64	868,681,633	132,906,927	85
Rental revenue from facilities and equipments	573,669,983.58	465,325,775	- 108,344,208	123
Sales of Wood(Forest) products	588,766,778.21	626,287,411	37,520,633	94
Farm Products	325,777,878.74	244,946,218	- 80,831,661	133
Laboratory charges	53,323,569.06	54,991,440	1,667,871	97
Water and Electricity charges	41,195,000.00	118,080,000	76,885,000	35
Hospital charges	811,680,853.28	1,899,469,317	1,087,788,464	43
Institutional Fees	258,182,682.00	267,543,810	9,361,128	97
Consultancy Income	128,400.00	35,640,000	35,511,600	0
SUA Vehicle income	10,215,000.00	41,799,675	31,584,675	24
Other Income	3,795,981,795.26	1,848,941,468	- 1,947,040,327	205
Total:	21,980,927,272.61	18,520,929,775	- 3,459,997,497	119

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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APPENDIX 4

Non-exchange Transactions Expenditure-Government Grant

Expenditures	Actual 2017.18 TZS	Budget 2017.18 TZS	Variances TZS	Performance %
Development Expenditure	2,400,000,000	2,000,000,000	-400,000,000	120
Personnel Emoluments	46,287,656,435	49,999,177,392	3,711,520,957	93
Total	48,687,656,435	51,999,177,392	3,311,520,957	94

APPENDIX 5

Non-exchange Transactions Expenditure-Donor Grants

Expenditures	Actual 2017.18 TZS	Budget 2017.18 TZS	Variances TZS	Performance %
Salaries, Wages and Employee benefits	2,173,074,394	1,923,967,190	249,107,204	113
Travel & Travel Expenses	2,757,820,834	2,833,071,675	75,250,841	97
Repair & Maintenance Expenses	540,114,667	581,608,214	41,493,547	93
Printing, Office supplies & Consumables	352,773,345	469,127,448	116,354,103	75
University Meeting Expenses	135,145,245	182,932,206	47,786,961	74
Staff Training & Development Expenses	-	2,009,062,174	2,009,062,174	-
Student Training & Research Expenses	2,693,542,064	1,202,860,405	1,490,681,659	224
Insurance & Licence Expenses	16,528,423	95,921,177	79,392,754	17
Utility Expenses	3,783,425	6,953,734	3,170,309	54
Purchase of Small Tools	-	229,295,049	229,295,049	-
Research, Teaching & Outreach Expenses	6,040,587,665	5,753,683,446	286,904,219	105
Workshop & Seminar Expenses	936,201,112	1,282,358,892	346,157,780	73
Postage and Telecommunications Expenses	145,466,828	324,691,386	179,224,558	45
Financial Expenses				55

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	130,012,225	235,358,150	105,345,925	
Sanitation and Environment Expenses	30,473,553	31,319,474	845,921	97
Security & safety	8,610,527	21,220,903	12,610,376	41
Computer Expenses	-	665,096,515	665,096,515	-
Laboratory & Workshops Expenses	348,030,506	422,528,856	74,498,350	82
Rental & Hiring Expenses	18,350,854	21,075,864	2,725,010	87
Subscription, Gifts & Donations	-	11,438,980	11,438,980	-
Institution Costs	-	685,853,003	685,853,003	-
Animal Feed & Treatment Expenses	18,389,900	73,175,300	54,785,400	25
Field Practical, Dissemination & thesis Expenses	-	1,243,731,239	1,243,731,239	-
Audit and Verification Expenses	203,707,185	457,207,231	253,500,046	45
Other Operational Expenses	4,103,818,639	2,133,857,915	1,969,960,724	192
Institutional Collaboration Expenses	258,182,682	2,216,958,786	1,958,776,104	12
Total	20,914,614,073	25,114,355,212	4,199,741,139	83

APPENDIX 6

Exchange Transaction Expenditure (Internal)

	Actual 2017.18 TZS	Budget 2017.18 TZS	Variances TZS	Performance %
Expenditures				
Wages, Salaries and Employee Benefit	1,172,781,246	1,186,537,000	13,755,754	99
Travel and Travel Expenses	574,935,908	689,700,000	114,764,092	83
Repair and Maintenance Expenses	929,964,664	793,000,000	136,964,664	117
Office supplies and Consumables	471,990,581	615,000,000	143,009,419	77
University Meeting Expenses	732,362,474	875,000,000	142,637,526	84
Insurance and Licence Expenses	146,190,691	214,500,000	68,309,309	68
Utility Expenses	1,725,049,641	1,450,000,000	275,049,641	119
Examination Expenses	672,395,909	945,000,000	272,604,091	71
Research, Teaching and Outreach Expenses	2,239,919,038	2,043,000,000	196,919,038	110
Sport and Sport Gear Expenses	79,624,000	80,600,000	976,000	99

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Vehicles and Motor Cycles Running Expenses	339,700,014	635,000,000	295,299,986	53
Postage and Telecommunications Expenses	374,558,933	546,500,000	171,941,067	69
Financial Expenses	71,743,929	38,500,000	33,243,929	186
Sanitation and Environment Expenses	471,505,612	662,000,000	190,494,388	71
Graduation Expenses	128,872,400	215,500,000	86,627,600	60
Security and Safety Expenses	310,743,851	500,500,000	189,756,149	62
Health Care Services Laboratory and Workshops Expenses	199,063,243	509,300,000	310,236,757	39
Rental and Hiring Expenses	162,943,004	292,500,000	129,556,996	56
Subscription, Gifts and Donations	36,292,925	57,500,000	21,207,075	63
Human Recourses Expenses	505,456,406	275,000,000	230,456,406	184
Social Welfare Expenses	439,289,570	440,000,000	710,430	100
Animal Feed and Treatment Expenses	165,241,823	320,000,000	154,758,177	52
Marketing and Promotion Expenses	103,603,249	132,000,000	28,396,751	78
Audit and Verification Expenses	173,202,888	172,500,285	702,603	100
Hotel Conference Expenses	358,604,151	682,668,422	324,064,272	53
Printing and Publications Expenses	189,968,693	192,999,814	3,031,121	98
Other Operational Expenses	30,136,962	55,000,000	24,863,039	55
Total	4,979,411,960	3,901,124,254	-1,078,287,706	128
	17,785,553,763	18,520,929,775	735,376,012	96