



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



ARUSHA TECHNICAL COLLEGE (ATC)

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

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AR/PA/ATC/2024/25

About the National Audit Office

Mandate

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

NAOT Vision, Mission & Motto



A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.



To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.



Modernizing External Audit for Stronger Public Confidence



Core Values

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|  <p>Independence and Objectivity: We are an impartial public institution. Independently offering high-quality audit services to our clients in an unbiased manner.</p> |  <p>Professional competence: We deliver high quality audit services based on appropriate professional knowledge, skills, and best practices.</p> |
|  <p>Integrity: We observe and maintain high ethical standards and rules of law in the delivery of audit services.</p> |  <p>Creativity and Innovation: We encourage, create and innovate value-adding ideas for the improvement of audit services.</p> |
|  <p>Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.</p> |  <p>Team Work Spirit: We value and work together with internal and external stakeholders.</p> |

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ABBREVIATIONS

AIDS	Acquired Immunity Deficiency Syndrome
ATC	Arusha Technical College
AUWSA	Arusha Urban Water Supply and Sanitation Authority
BoT	Bank of Tanzania
CAG	Controller and Auditor General
CPA	Certified Public Accountant
EASTRIP	East Africa for Transformation and Regional Integration Project
GB	Governing Board
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
IESBA	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IPSAS	International Public-Sector Accounting Standards
IPT	Industrial Practical Training
ISSAI	International Standard of Supreme Audit Institutions
JICA	Japan International Cooperation Agency
NACTE	National Council for Technical Education
NAO	National Audit Office
NHIF	National Health Insurance Fund
NM-AIST	Nelson Mandela African Institution of Science and Technology
PCB	Production Consultancy Bureau
PhD	Doctor of Philosophy
PMU	Procurement Management Unit
PSSSF	Public Service Social Security Fund
RAAWU	Researchers, Academicians and Allied Workers Union
THTU	Tanzania Higher Training Institutions Workers Union
VETA	Vocational Education and Training Authority

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairperson,
Board of Directors,
Arusha Technical College,
P.O. Box 296,
Arusha, Tanzania

1.1 REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the consolidated financial statements of Arusha Technical College (ATC), which comprise the consolidated statement of financial position as at 30 June 2025, the consolidated statement of financial performance, consolidated statement of changes in net assets, consolidated cash flow statement and the consolidated statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Arusha Technical College as at 30 June 2025, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting, as issued by the International Public Sector Accounting Standards Board (IPSASB) and in the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Arusha Technical College in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Other Information

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

The other information also comprises the Strategic Plan Summary which is expected to be part of the entity's annual report but was not made available to me as at the date of this audit report which will be made available to me after the date of this report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I conducted a compliance audit of the procurement of works, goods and services at Arusha Technical College (ATC) for the year ended 30 June 2025 as per the Public Procurement Act, 2023 the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that, except for the matter described below, Arusha Technical College generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

i. Delays in settling the suppliers claims for the period between 42 days and 317 days

Providers of security services and catering services raised invoices amounted to TZS 525,468,589.52 but the payments were delayed for period ranging from 42 to 317 days from the invoice due dates with no any justifiable reasons. This is contrary to the Regulation 329(2) of the Public Procurement Regulations, 2024. The payment delays were attributed to insufficient funds which may expose the Government to interest claims from service providers, leading to unnecessary financial losses.

ii. Contracts awarded beyond the tender validity period for Procurement with estimated budget of TZS 846.52 million

Audit of procurement process conducted through NeST revealed that, ATC initiated, opened, and evaluated various tenders with estimated budget of TZS 846,524,158 but without any justifiable reasons these tenders were not awarded to the lowest evaluated bidders on time with delays ranging between 11 and 120 days. Some of these tenders overlapped the financial years 2024/25 while the tender validity periods were only 45 days with no any extension. This is against Regulation 200 (6) of the Public Procurement Regulations, 2024. The delays were attributed to lack of funds to facilitate timely procurement and might lead to delays in implementing the project activities as per the annual procurement and work plan.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

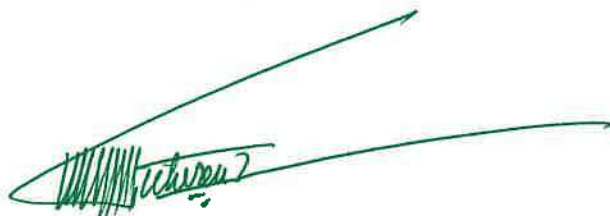
I conducted a compliance audit of budget formulation and execution at Arusha Technical College (ATC) for the year ended 30 June 2025 as per the Public Budget Act, Cap. 439, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that, except for the matters described below, Arusha Technical College (ATC) generally complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.

Delay and inadequate submission of carryover request to Paymaster General TZS 186.38 million

During the year, ATC delayed for 13 days in submission of a Carryover request. The request was submitted on 28 June 2024 via letter with Reference Number CBA/305/01/A/38 with the amount of TZS 186,385,830. Furthermore, the submitted request was inadequate, as it shows neither the commitment on how the rolled over funds would be spent nor the assessment of spending capacity after the new budget allocation. This is contrary to Regulation 21(1) of Budget Regulations, 2015.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
February 2026



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE

2.1 INTRODUCTION

The Governing Board hereby submits its annual report together with the audited financial statements for the year ended 30 June 2025, which discloses the state of affairs of Arusha Technical College (the College) and ATC PCB Production and Consulting PLC (the "Subsidiary") (together referred to as the "Group").

2.2 VISION AND MISSION OF THE COLLEGE

Vision

The Vision of Arusha Technical College is to become a centre of excellence that provides a national and international high-level human resource through exemplary competence based Technical Education and Training.

Mission

The Mission of Arusha Technical College is to provide high quality career-focused, skills-based Technical Education and Training to enhance the role of individual as productive and responsible members of the society.

2.3 NATURE OF THE COLLEGE AND OPERATIONAL ENVIRONMENT

2.3.1 Overview

Arusha Technical College (ATC) is a statutory body, Public Technical Institution established under the (Establishment) Order, GN. No. 78 of 30 March 2007 and later in 2015 the Instrument which established it was revoked and replaced by the National Council for Technical Education (The Grant of Autonomous Status to the Arusha Technical College) Order No. 302 of 24 July 2015 which re-established the College as an autonomous institution and operationalized by the Ministry of Education, Science and Technology. The College is governed by the National Council for Technical Education (Autonomous Technical Institutions) Regulations, 2015 GN. No. 463 published on 23 October 2015. The College offers various Technical Education Training (TET), Vocational Education Training (VET) and Engineering Programs. The College serves as a key player in Tanzania's technical and vocational education and training (TVET) landscape. It offers competency-based education, training, and applied research to support national development and industrialization goals.

2.3.2 Mandate and Core Functions

The core objectives of ATC are:

- (a) To conduct formal and non-formal education and training programmes in engineering, technical and related fields;
- (b) To provide consultancy and community services to the public and private sectors;
- (c) To engage in research and development activities aligned with national priorities and the academic disciplines offered at the College.

2.3.3 Market and Sector Context

ATC operates in Tanzania's public tertiary education sector, characterized by:

- (a) A growing demand for technical and vocational skills, driven by national development strategies such as Tanzania's Vision 2050 and Five-Year Development Plan (2025-2030);
- (b) Increased competition from both public and private technical institutions; and
- (c) Regulatory oversight by bodies such as the National Council for Technical Education (NACTVET), the Tanzania Commission for Universities (TCU), and the Ministry of Education.

2.3.4 Regulatory Environment

The College's operations are regulated by:

- (a) The National Technical Awards (NTA) system under NACTVET;
- (b) Government education policies; and
- (c) Public Financial Management regulations applicable to government institutions.

2.3.5 Performance Context

The College's financial and operational performance for the year ended 30 June 2025 must be viewed within this environment of growing student enrolment, constrained public financing, evolving academic standards, and increasing expectations for technological adaptation, skills alignment, and industry collaboration.

2.4 OBJECTIVES AND STRATEGIC DIRECTION

2.4.1 Institutional Objectives

Arusha Technical College aims to create and preserve value over the long term through a balanced pursuit of academic excellence, research, and community engagement. Its core objectives are:

- (a) **Educational Objective:** To provide high-quality, industry-relevant technical and vocational training that supports Tanzania's socio-economic development;
- (b) **Research and Innovation:** To foster applied research that addresses practical challenges in engineering and technology;
- (c) **Community and Industry Engagement:** To contribute to national development by offering consultancy and technical services to public and private stakeholders;
- (d) **Financial Sustainability:** To strengthen the College's ability to generate and efficiently manage financial resources; and
- (e) **Institutional Development:** To invest in staff capacity, infrastructure, and digital transformation.

Strategic Framework

Time Horizon	Strategic Focus	Strategy Highlights
Short-term	Operational Efficiency	Cost containment
		Revenue diversification (e.g., consultancy, evening courses)
Medium-term	Capacity Expansion & Quality Assurance	Curriculum review
		Staff development
		Accreditation compliance
Long-term	Institutional Sustainability & National Leadership	Centre of excellence for applied engineering
		Expanded research footprint

2.4.2 Resource Allocation Plan

- (a) **Human Resources:** Recruitment and retention of qualified lecturers, instructors, administrators and researchers;
- (b) **Capital Investment:** Upgrading workshops, laboratories, theatres and ICT infrastructure through internally generated funds and development partners.
- (c) **Partnerships:** Leveraging national and international collaborations to mobilize technical and financial support.
- (d) **Financial Resources:** Strengthening internal controls and revenue collection from self-financing programmes.

2.4.3 Key Performance Indicators (KPIs)

Category	KPI	Status (2025)	Benchmark/Target
Financial	Own revenue as % of total budget	72%	≥30%
	Audit opinion (CAG)	Unqualified	Unqualified
Academic	Graduation rate (% of enrolled students)	87%	≥85%
	Accreditation status	Full	Maintained
Research	Number of applied research projects initiated	12	≥10
Community Service	Number of consultancy projects completed	15	≥12
Infrastructure	% of modernized teaching facilities	70%	≥75%
Digitalization	Percentage of services accessible online	60%	≥65%

2.4.4 Monitoring and Governance

The College Governing Board, through its Finance and Planning Committee, Academic Committee and Technical, Audit Committee, Staff and Student Affairs regularly evaluates progress against strategic objectives using the above KPIs. Internal and external audit reports, tracer studies, and stakeholder surveys are also key tools in performance monitoring.

2.5 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

2.5.1 Overview of 2024/25 Development and Performance

During the year ended 30 June 2025, Arusha Technical College continued to implement its strategic initiatives in line with national development goals and sectoral education frameworks. Key achievements included:

- Expansion of enrolment capacity by 12% through new programme offerings,
- Completion of Phase II of infrastructure development (modern laboratories and workshops),
- Improved financial management systems and internal audit processes, leading to clean audit status,
- Strengthened industry partnerships for student internships and collaborative research.

These developments contributed to enhanced educational outcomes, stakeholder satisfaction, and stronger institutional positioning within the technical education sector.

2.5.2 Financial Performance Highlights

Financial Indicator	2023/24 Actual	2024/25 Budget	2024/25 Actual	Diff.	Variance (%)	Remarks
Total Revenue (TZS million)	18,178,151	31,248,489	28,420,337	2,828,152	9%	Minor underperformance due to delays in donor disbursements
Government Subvention	2,565,505	10,725,154	10,870,112	(144,958)	(1%)	Fully disbursed
Own Source Revenue	8,845,203	10,736,427	11,075,230	(338,803)	(3%)	Growth in short courses, EACOP and ATC PCB PLC
Recurrent Expenditure	6,927,042	17,256,911	18,240,062	(983,151)	(6%)	Cost containment on travel, Operation and utilities
Development Expenditure	4,270,450	14,800,663	870,382	13,948,501	94%	Less additional capital injection

Major Deviations from Budget:

- Higher-than-expected development expenditure due to accelerated infrastructure works.
- Slight shortfall in revenue from own sources due to deferred short courses in Q3.
- Reduced recurrent spending through prudent financial controls and procurement savings

2.5.3 Analysis of External and Industry Changes

During the year, the technical education sector experienced several changes impacting ATC's performance:

- Policy shift toward STEM education under the Ministry of Education led to an increase in enrolment demand in engineering disciplines.
- Inflationary pressures and currency fluctuation affected the cost of imported equipment and project materials.
- Increased competition from private technical colleges offering flexible learning schedules challenged student retention and pricing strategies.

Governance bodies responded by:

- Adjusting cost structures,
- Revising tuition policies to remain competitive, and
- Strengthening student support and academic advisory services.

2.5.4 Future Prospects and Strategic Focus

The Governing Board anticipates the following key trends and strategic priorities will shape ATC's future:

- Continued infrastructure investment to support digitalization and blended learning;
- Expansion of postgraduate and research programmes, aligned with national innovation goals;
- Automation of administrative processes to improve efficiency and transparency; and
- Risks to sustainability, including delayed government subventions and donor dependency, will be mitigated by diversifying revenue streams (e.g., industrial consultancy, IP commercialization).

2.5.5 Budget Execution and Performance Monitoring

The institution's 2024/25 budget implementation was generally satisfactory:

- Revenue realization stood at 98.1%, reflecting strong collection systems;
- Development projects exceeded targets by 12.5%, due to successful reallocation of supplementary funds; and
- Performance tracking against budget and KPIs is conducted quarterly by the Planning and Finance Committee, ensuring accountability and mid-year corrective measures.

Future budgets will place increased emphasis on:

- Value-for-money audits,
- Gender-sensitive budgeting,
- Sustainability metrics (carbon reduction, e-waste management).

2.6 RESOURCES AND VALUE CREATION

2.6.1 Budget Implementation and Variance Analysis

The total budgeted income for the 2024/25 financial year was TZS 31.2 billion, with an actual realization of TZS 28.4 billion, representing 91% attainment. The institution's financial



performance reflected responsible resource mobilization, strengthened internal controls, and strategic cost management.

2.6.2 Major Budget Deviations

Budget execution was closely monitored by the Finance and Planning Committee and adjustments were made during mid-year reviews to optimize available resources.

2.6.3 Tangible and Intangible Resources Available

Arusha Technical College is endowed with a broad range of tangible and intangible resources which continue to support its strategic goals and institutional sustainability.

(a) Intellectual Resources

These form the basis of innovation, academic excellence, and institutional competitiveness:

- Highly qualified academic staff (engineers, technicians, researchers) with cross-disciplinary expertise;
- Accredited and modularized curriculum aligned with National Technical Awards (NTA) standards;
- Copyrighted technical manuals, engineering guides, and locally developed lab manuals; and
- Internally developed Learning Management System (LMS) to support blended and remote learning.

These resources are not fully reflected in the financial statements but contribute significantly to educational quality and institutional reputation.

(b) Human Resources

The College employs over 250 professional and support staff, with continuous investment in:

- Staff training and development;
- Research and academic capacity-building; and
- Succession planning and leadership development.

Staff competency is central to sustaining teaching quality, research capacity, and community engagement.

(c) Social and Relationship Resources

ATC maintains strong partnerships and networks with:

- Public and private industries (for internships, curriculum input, and consultancy work);
- Government agencies (NACTE, COSTECH, MoEST); and
- Development partners and international universities.

These relationships enhance resource mobilization, policy alignment, and innovation sharing.

(d) Natural Resources

ATC utilizes and preserves environmental resources critical to its operations, including:

- Clean water and power systems across its campuses,
- Land for future expansion and agricultural training,
- Solar installations for energy sustainability.

Investment in solar power and waste management supports long-term cost savings and environmental stewardship.

(e) Infrastructure (Tangible Assets)

- Upgraded engineering workshops, laboratories, ICT centres, and student dormitories.
- Library resources, high-speed internet, e-learning platforms.

These are capitalized and depreciated in the financial statements but their utility in learning delivery and community impact far exceeds book values.

2.6.4 Factors Affecting Resource Availability and Future Outlook

Resource Type	Opportunities	Risks/Challenges	Strategic Response
Intellectual	National STEM agenda, research grants	Brain drains, inadequate research funding	Staff retention plans, IP protection strategy
Human	Motivated workforce, professional growth	Recruitment bottlenecks, staff ageing	Talent pipeline and retooling programmes
Social & Relationship	Donor goodwill, academic-industry linkage	Competition from private institutions	Strengthen MoUs, alumni engagement
Natural	Solar adoption, green campus initiatives	Climate variability, utility cost spikes	Environmental management and solar expansion
Financial	Improved revenue from services	Delayed subventions, inflation	Cost control, internal revenue strategy

2.6.5 Value Creation Outlook

These resources are expected to generate value in both financial and non-financial dimensions, including:

- Enhanced graduate employability and workforce relevance,
- Increased internally generated funds (IGFs),
- Greater institutional visibility and competitiveness,
- Improved stakeholder trust and compliance with national priorities.

2.7 MANAGEMENT STRUCTURE

The routine management of Arusha Technical College is vested in the Rector who is assisted by the Deputy Rector for Academics, Research and Consultancy and the Deputy Rector for Administration, Finance and Planning. The Heads of Departments (academic and non-academic) who report to the deputy rectors are part of the Management Structure as well as heads of sections. Further, the Head of Procurement Management Unit, Communication and Marketing, Chief Internal Auditor, and the Legal Office are also part of the Management Structure who report directly to the Rector.

2.8 CORPORATE GOVERNANCE

The Governing board believes in adopting the best practices in Corporate Governance. The Board, Management, and the Group employees are committed to upholding the core values of transparency, integrity, honesty, and accountability, which are fundamental to the attainment of good governance and excellent performance in any organization.

2.8.1 Members charged with Governance

(i) Function

The Governing Board is responsible and accountable for providing effective corporate governance, direction, and control of the College. The directors have a duty to exercise leadership, enterprise, integrity, and judgment based on transparency, fairness, accountability, and responsibility.

The Board is also responsible for confirming appointment of management, adopting a corporate strategy, policies, procedures and monitoring operational performance including identifying risks impacting the College. It is also responsible for managing good relationships with all the stakeholders.

(ii) Composition of Directors

According to the Establishment Order No. 302 of 24 July 2015, the Governing Board is required to have eight members comprising seven (7) non-executive directors and one (1) executive director, who is the Accounting Officer of the College and serves as the Secretary to the Governing Board. Additionally, the members must possess skill, experience, and diversity related to technical institution.

The Governing Board Members who held responsibility are categorized into two groups:

- a) Those who have served from the date of appointment on 10 September 2021 and whose term ends on 9 September 2024, except for the Board Chairperson who was appointed on 15 June 2024 for a four-year term and will complete the term on 14 June 2028; and
- b) Six (6) Governing Board Members who were appointed on 8 January 2025 for a three-year term and will complete their term on 7 January 2028.

All members have carried out their responsibilities as board members during their respective periods and have been acknowledged in the financial statements for the financial year, as shown in the table below:

Table 1: Governing Board Members

SN	Name	Position	Age	Appointment Date	Nationality	Qualifications
Old GB Members						
1	Dr.Noel Mbonde	Chairperson	61	15 June 2024	Tanzania	PhD in Mechanical
2	Ms. Diana Malambugi	Vice Chairperson	55	10 Sep 2021	Tanzanian	Master's Degree
3	Eng. Veronica Ninalwo	Member	52	10 Sep 2021	Tanzanian	Master's Degree
4	Dr. Michael Kisangiri	Member	51	10 Sep 2021	Tanzanian	PhD in Telecommunications
5	Mr. Urbanus Merkiory	Member	53	10 Sep 2021	Tanzanian	Master's Degree
6	Dr. Adolph Rutayuga	Member	60	10 Sep 2021	Tanzanian	PhD in Education
7	Mr. Elton Mengsen	Member	22	12 June 2022	Tanzanian	Bachelor's degree (Ongoing)
8	Prof. Musa N. Chacha	Secretary	48	10 Feb 2020	Tanzanian	PhD in Chemistry
New-GB Members						
1	Dr.Noel Mbonde	Chairperson	61	15 June 2024	Tanzania	PhD in Mechanical
2	Prof. Kennedy A. Greyson	Vice Chairperson	57	08 Jan 2025	Tanzanian	PhD in ICT
3	Dr. Erick Mgyaya	Member	58	08 Jan 2025	Tanzanian	PhD in Electrical Power Engineering
4	CPA. Angelo F. Ngalla	Member	51	08 Jan 2025	Tanzanian	Master's Degree
5	Eng. Said I. Shausi	Member	39	08 Jan 2025	Tanzanian	Bachelor's degree
6	Dr. Godfrey A. Komba	Member	50	08 Jan 2025	Tanzanian	PhD in Business Administration - Education Management
7	Mr. Haruna Mashaka Banana	Member	27	08 Jan 2025	Tanzanian	Bachelor's degree (Ongoing)
8	Prof. Musa N. Chacha	Secretary	48	08 January 2020	Tanzanian	PhD in Chemistry

Source: Appointment letters

The secretary at the date of this report, who also served the position throughout the year, was Prof. Musa N. Chacha.

Outlined below is the attendance of the members at the quarterly board meetings, held during the year:

Table 2: Attendance of the Governing Board

S/N	Names	61 st 26 August 2024	62 nd 10 May 2025	Attendance
Old Appointed Members				
1	Dr. Noel Mbonde	P	P	50%
2	Ms. Diana Malambugi	P	N/A	25%
3	Eng. Veronica Ninalwo	P	N/A	25%
4	Dr. Michael Kisangiri	P	N/A	25%
5	Mr. Urbanus Merkiory	P	N/A	25%
6	Dr. Adolph Rutayuga	P	N/A	25%
7	Mr. Elton Mengsen	P	N/A	25%
8	Prof. Musa Chacha	P	P	25%
New-Appointed Members				
1	Dr. Noel Mbonde	P	P	25%
2	Prof. Kennedy A. Greyson	N/A	P	25%
3	Dr. Erick Mgya	N/A	P	25%
4	CPA. Angelo F. Ngalla	N/A	P	25%
5	Eng. Said I. Shausi	N/A	P	25%
6	Dr. Godfrey A. Komba	N/A	P	25%
7	Students Representative	N/A	P	25%
8	Prof. Musa N. Chacha	P	P	25%

Source: Board meeting minutes 2024/25

KEY: P=Present
A=Absent with apology
N/A=Not Applicable

The Governing Board held only two (2) ordinary meetings during the financial year under review: the 61st GB Meeting on 26 August 2024, which was conducted by Board Members whose term ended on 9 September 2024, and the 62nd GB Meeting on 10 May 2025, conducted by Board Members who were appointed on 8 January 2025. In these meetings, the Board deliberated on various matters including the approved College budget, ongoing construction projects, academic affairs, staff affairs, introduction of new courses, and the implementation of the College's strategic plan.

(iii) Code of Corporate Practice and Conduct

The College is committed to the principles of effective corporate governance and the Governing Board is of the opinion that the College currently complies with principles of good Corporate Governance.

(iv) Ethics and organizational integrity

The College's Code of Conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its directors, managers, employees, students, suppliers, competitors, investors and the public in general. The directors and staff are expected to fulfil their ethical obligations in such a way that the business is run strictly according to fair commercial competitive practices.

(v) Committees of the Governing Board

The Governing Board has four Sub-committees that assist in the supervision of the College operations and advise the Board on smooth running of the College. The Sub-committees are: -

- Academic and Technical Committee;
- Staff and Students Affairs Committee;
- Finance and Planning Committee; and
- Audit Committee.

(a) Academic and Technical Committee

Members of the Academic Committee are appointed from amongst the members of the Governing Board. During the financial year 2024/25, the following members served in the Committee.

Table 3: Academic and Technical Committee

SN	Name	Position
1.	Prof. Kennedy A. Greyson	Chairperson
2.	Mr. Haruna M. Banana	Member
3.	Eng. Said I. Shausi	Member
4.	Dr. Baraka N. Kichonge	Secretary

Source: Academic committee meetings minutes 2024/25

The Academic and Technical Committee held only two (2) ordinary meetings during the financial year under review: the 54st AC Meeting on 24 August 2024, which was conducted by Board Members whose term ended on 9 September 2024, and the 55nd AC Meeting on 08 May 2025, conducted by Board Members who were appointed on 8 January 2025. In these meetings, made recommendations to the Governing Board in respect of matters relating to examination results, appointment of external examiners, project implementation, consultancy, appraisal on quality assurance and control.

(b) Staff and Students Affairs committee

Members of the Staff and Students Affairs Committee who served during the year were;

Table 4: Staff and Students Affairs Committee

SN	Name	Position
1	Dr. Godfrey Alto Komba	Chairperson
2	Eng. Said Issa Shausi	Member
3	Mr. Haruna Mashaka Banana	Member
4	Mr. Emmanuel Ishika	Secretary

Source: Staff and students committee meeting minutes 2023/24

The Staff and Student Affairs Committee held only two (2) ordinary meetings during the financial year under review: the 52st SSAC Meeting on 24 August 2024, which was conducted by Board Members whose term ended on 9 September 2024, and the 53nd SSAC Meeting on 8 May 2025, conducted by Board Members who were appointed on 8 January 2025. In these meetings; made

recommendations to the Governing Board for the approval of employee recruitment, promotion and confirmation; College proceeding cases, academic staff performance assessment, student matters and employees' disciplinary matters.

(c) Finance and Planning Committee

Members of the Finance and Planning Committee who served during the financial year were:

Table 5: Finance and Planning Committee

SN	Name	Position
1	Dr. Vicent E Mgaya	Chairperson
2	Prof. Kennedy A. Greyson	Member
3	Mr. William E. Mpepo	Secretary

Source: Finance and Planning Committee meetings minutes 2023/24

The Finance and Planning Committee held only two (2) ordinary meetings during the financial year under review: the 49st FPC Meeting on 24 August 2024, which was conducted by Board Members whose term ended on 9 September 2024, and the 50nd FPC Meeting on 8 May 2025, conducted by Board Members who were appointed on 8 January 2025. In these meetings, among the major recommendations made to Governing Board included budget matters, revenue and expenditure reports, bank financial position, progress on the development projects; quarterly performance reports; review of the development projects; and reallocation of funds.

(d) Audit Committee

Members of the Audit Committee who served during this financial year were;

Table 6: Audit Committee

SN	Name	Position
1	CPA Angelo F. Ngalla	Chairperson
2	Dr. Godfrey A. Komba	Member
3	CPA Kelvin O. Sanga	Secretary

Source: Audit committee meetings minutes 2023/24

During the year under review, the Audit Committee held three (3) meetings of which two (2) ordinary meetings of 44th and 45th held on 24 August 2024 and 8 May 2025 respectively, and one (1) of 45th extra ordinary BAC meeting on 29 August 2024 in which they deliberated on various issues regarding internal audit reports, CAG's statutory audited reports, PAC's directives, risk management reports, quality assurance reports, review and comment on the College financial statements.

2.9 OPERATION AND FINANCIAL REVIEW

The financial statements present financial position, financial performance by nature, and changes in net assets, cash flows, statements of comparison of budget and actual amount, and notes to the financial statement of the ATC as at 30 June 2025.

2.9.1 Financial Position

The financial position of the College for 2024/25 is set out in the statement of the financial position as at 30 June 2025. Key changes in the statement of financial position are highlighted below;

Non-Current Assets

During the financial year, the amount of College's total non-current assets increased by TZS 6,577,250,000 due to increase of WIP from ongoing construction of EASTRIP at Kikuletwa Campus. Furthermore, the College had procured Civil Structure, Laboratory/Workshop Equipment & plant and Machinery, Office, Hostel & Household equipment, Computer, Server and Accessories, Access Roads, Graduation Gown, Electrical Equipment, and Chain Link and Block wall with total cost of TZS 2,222,496,000.

Property, Plant and Equipment

Property, Plant and Equipment comprise Land, Buildings, Civil Structure, Laboratory/Workshop Equipment & plant and Machinery, Office, Hostel & Household equipment, Office, Hostel and Household furniture, Motor vehicles & Cycles, Library Books, Computer, Server and Accessories, Access Roads, Bridges, Graduation Gown, Electrical Equipment, and Chain Link and Block wall pursuant to IPSAS 17. The approved budget for the acquisition of PPE during the financial year 2024/25 was TZS 14,800,663,000 and the actual expenditure was TZS 852,162,000 while the approved budget for PPE in the financial year 2023/24 was TZS 4,270,450,000 and the actual expenditure was TZS 4,150,450,000. The Net Book Value of PPE at the end of the financial year 2024/25 was TZS 72,452,240,000 after deducting accumulated depreciation of TZS 21,518,401,000 of previous year and TZS 2,156,877,000 depreciation charge and demolishing accumulated depreciation TZS 584 for the financial year 2024/25, while in the financial year 2023/24 the NBV was TZS 72,387,885,000 after deducting Accumulated depreciation of TZS 19,704,930,000 and TZS 1,972,576,000 depreciation charge for the financial year 2023/24. The value of PPE was slightly changed as shown above due to an increase in the depreciation of assets compared to the last financial year and the acquisition of new assets. This is disclosed in note 09 in the financial statements.

Intangibles

Intangible comprises computer software licenses pursuant to IPSAS 31. During the financial year under review, additional of intangibles assets were TZS 18,220,000 acquired for Computer Software. The Net Book Value of Intangibles at the end of the financial year 2024/25 was TZS 56,787,000 after deducting accumulated amortization of TZS 53,357,000 of the previous years and TZS 8,404,000 amortization charges for the financial year 2024/25, while in the financial year 2023/24 the NBV was TZS 46,969,000 after deducting accumulated depreciation amounting to TZS 48,804,000 and TZS 4,551,000 amortization charges for the financial year 2023/24. The value of intangibles was changed as shown above due to continuing amortization as per the remained useful life. This is disclosed in note 11 in the financial statements.

Work in Progress

Work in progress represents costs incurred for the Construction of college (drawings) construction of Imaging Unit, (Medical Equipment, laundry, furniture), Hospitals, clinic Paving, Playground, Construction of Hydropower plant, EASTRIP - Kikuletwa Campus which is under progress. During the financial year under review, work in progress was increase by TZS 7,048,821 ,000 to TZS 27,431,524,000 compared to TZS 13,501,637,000 of the previous financial year 2023/24. This is disclosed in note 12 in the financial statements.

Current Assets

The College's total current assets increased by TZS 2,014,491,000 largely because of increase in cash and cash equivalent balance compared to financial year 2023/24 TZS 4,554,498,000.

Cash and Cash Equivalents

The amount of College's cash as at the year-end TZS 9,011,421,000 which is greater than the previous year TZS 6,061,508,000 by TZS 2,949,913,000 due to increase in college operational cost, less receipts of development fund, prepayment of assets and own source collection during the year under review.

Receivables

During the financial year under review the College's total receivables was TZS 658,261,000 compared to TZS 449,507,000 for the year ended 30 June, 2024 which has increased by TZS 208,755,000 this is due to less collection mechanism. Additional to that, tuition fee from HELSB was not disbursed on time (during the respective financial year).

Prepayments

The College's prepayments as at the end of reporting period was TZS 2,727,212,000 compared to TZS 3,112,951,000 of the previous financial year which has decreased by TZS 385,739,000 this was due to less advance payment to development project especially EASTRIP on financial year 2023/24.

Inventories

During the financial year under review the College's total inventories was TZS 1,628,895 ,000 compared to TZS 2,387,332,000 of financial year ended 30 June, 2024 which has decreased by TZS 758,437,000 this is due to increase in enrolment number of students during the financial year who conducted more practical training.

Net assets

The net assets as at the end of the reporting period increased to TZS 101,738,945,000 due to the surplus made during the year amounting to TZS 4,612,627,000 compared to TZS 97,126,318,000 of financial year ended 30 June 2024.

Liabilities (Payable and Accruals)

Generally, the total liabilities as at the end of the reporting period was TZS 12,227,395,000 increased by TZS 3,979,109,000 compared to TZS 8,248,286,000 over the previous financial year. The increase was caused by Other Payables, Retention, and Supplies of goods and services during the year under review.

Deposits

During the financial year ended 30 June 2025, the College's deposits was TZS 9,279,000 compared to TZS 279,393,000 of the previous financial year ended 30 June, 2024 which has decreased by TZS 270,113,000. The decrease was caused by retention money deposited for payment when the due date matured.

Deferred Grant Income

During the year ended 30 June 2025, the College's deferred grant income was TZS 7,419,011,000 compared to TZS 4,558,035,000 for the year ended 30 June, 2024 which has increased by TZS 2,860,976,000. The decrease was caused by settlement of funds received from World Bank for implementation of EASTRIP activities. Again, was due to the commencement work for lot number four (4), whose contract was signed on 5 May 2023 and under work in progress.

2.9.2 Financial performance

During the year ended 30 June 2025, the College reported a consolidated surplus of TZS 4,656,263,000 compared to TZS 10,635,688,000 for the year ending 30 June 2024. The decrease of surplus by TZS 5,979,425,000 equivalent to 56% was attributed by decrease in revenues from exchange transaction, Fair value Gains on Assets and Liabilities, and external assistance to cover total operating expenses.

Detailed financial performance for 2024/25 is provided in the statement of financial performance for the year ended 30 June 2025. Items contained in the statement of financial performance is as detailed below:

Total revenue

During the financial year, the College's total revenue was TZS 25,874,051,000 compared to TZS 29,659,749,000 of the financial year ended 30 June, 2024 which has decreased by TZS 3,785,698,000. Major reason for the decrease of revenue was attributed by decrease in revenues from Fair value Gains on Assets and Liabilities, and external assistance to cover total operating expenses.

Total expenses

The College's expenses during the financial year was TZS 21,106,387,000 compared to TZS 18,762,061,000 of the financial year ended 30 June, 2024 which have increased by TZS 2,344,326,000. The major reason for the increase was due to employment of new staff, Employee

Benefits, other operating expenses because of increase in students' enrolment as well as implementation of EASTRIP Project activities.

2.9.3 Cash Flows during the Year

The positive cash flows from operating activities amounting to TZS10,180,275,000 was mainly attributed to the fact that the College had collected a total of TZS 28,420,337,000 compared to the payment of TZS18,240,062,000 during the year compared to TZS 9,857,302,000 was mainly attributed to the fact that the College had collected a total of TZS 25,642,356,000 compared to the payment of TZS 15,785,054,000 of the previous year. Overall, the College has an increase in cash and cash equivalent by TZS 3,380,177,000 compared to a increase of TZS 2,997,390,000 in 2023/24

2.9.4 Budget and actual results

The College had unfavourable budget of receipts on both revenue from exchange and non-exchange transactions by TZS 2,828,152,000 equivalent to 9% compared to TZS 7,462,357,000 in previous year. The major reason is decrease in external assistance as well as other revenue. On the other side, the College had not achieved its budgeted payments by TZS 7,017,413,000 equivalent to 40% during the year compared to TZS 11,636,951,000 of previous year. This is due to non some procured of some of items Use of Goods and Service, Employee benefits and Acquisition of Property, Plant and Equipment which were still in progress as procurement procedures were not completed.

2.10 PERFORMANCE FOR THE FINANCIAL YEAR

Financial Performance

The College 2024/25 had a surplus of TZS 4,656,263,000 (2023/24: Surplus of TZS 10,635,688,000). The surplus is mainly contributed by less recognition of deferred (amortization grant) from external assistance TZS 6,474,995,000 supported by world bank for implementation of EASTRIP Project activities compared to TZS 13,722,826,000 of previous year. Including other Revenue from Workshop manufacturers Revenue grants, Laboratory Charges, Government Grant Personal Emolument, Fair value Gains on Assets and Liabilities

A summary of the key ratios of the College's financial performance and position is outlined below:

Table 7: The key ratios of the Consolidated financial performance and position

A. Liquidity Ratios (Financial Position)				
Ratio	Formula	2025	2024	Interpretation
Current Ratio	Current Assets / Current Liabilities	1.15:1	1.46:1	Ability to meet short-term obligations has weakened in 2025
Quick (Acid Test) Ratio	(Current Assets - Inventories - Prepayments) / Current Liabilities	0.80:1	0.64:1	Slight improvement in immediate liquidity
Cash Ratio	Cash & Cash Equivalents / Current Liabilities	0.74:1	0.74:1	Stable cash coverage of current liabilities

A. Liquidity Ratios (Financial Position)				
Ratio	Formula	2025	2024	Interpretation
Working Capital (TZS '000)	Current Assets - Current Liabilities	1,798,393	3,763,011	Decline indicates tighter liquidity
B. Financial Sustainability / Solvency Ratios				
Ratio	Formula	2025	2024	Interpretation
Debt Ratio	Total Liabilities / Total Assets	10.70%	7.80%	Increased reliance on liabilities
Equity Ratio	Net Assets / Total Assets	89.30%	92.20%	Strong asset financing through equity
Debt to Equity Ratio	Total Liabilities / Net Assets	0.12:1	0.08:1	Very low financial risk
C. Operating Performance Ratios				
Ratio	Formula	2025	2024	Interpretation
Operating Margin	Surplus before Tax / Total Revenue	18.00%	35.90%	Significant decline in operating efficiency
Net Surplus Margin	Surplus after Tax / Total Revenue	17.80%	35.90%	Reduced profitability despite surplus
Expense Ratio	Total Expenses / Total Revenue	81.60%	63.30%	Higher cost pressure in 2025
Revenue Growth	(Current - Prior) / Prior Revenue	-12.8%	17%	Decline in total revenue
Expenditure Growth	(Current - Prior) / Prior Expenses	12.50%	9%	Expenses growing faster than revenue
D. Efficiency Ratios				
Ratio	Formula	2025	2024	Interpretation
Asset Turnover	Total Revenue / Total Assets	0.23	0.28	Lower efficiency in asset utilization
Receivables Turnover (Days)	(Receivables / Revenue) × 365	≈185 days	≈185 days	Collection efficiency unchanged
E. Capital Structure Indicators				
Indicator	2025	2024	Interpretation	
Accumulated Surplus to Net Assets	99.50%	99.50%	Equity mainly funded by retained surpluses	
Government Capital Contribution	TZS 479,996	TZS 479,996	No new capital injections	

Source: Financial statements 2023/24 and 2024/25

Government Contribution

The college contributed TZS 111,401,000 to the Consolidated Funds from the public and statutory corporations as directed by Treasury Registrar vide letter with ref. No.CEA.170/344/01/245, dated 25 November 2019 in accordance with the Public Finance Act, [CAP.348 R.E.2020]

Student Enrolment Trends

The number of students enrolled in various training programs at the College had been increasing each year.

Table 8: Student enrolment/Registered for diploma and undergraduate

Year	Number of students											
	Diploma						Undergraduate					
	Projection			Enrolled			Projection			Enrolled		
	Female	Male	Total	F	M	Total	Female	Male	Total	F	M	Total
2024/25	900	2,100	3,000	572	1763	2335	500	1,050	1,550	417	1,095	1,512
2023/24	900	2,100	3,000	539	1,759	2,298	400	1,050	1,450	331	988	1,319
2022/23	799	1,906	2,705	419	1,510	1,929	250	1,018	1,268	216	742	958
2021/22	640	1,775	2,415	421	1,696	2,117	193	846	1,039	159	577	736
2020/21	574	1,643	2,217	460	1,691	2,151	125	625	750	95	460	555

Source: Registration department 2023/24

Table 9: Student enrolment/Registered for VET

Year	Projection			Enrolled		
	Female	Male	Total	Female	Male	Total
2025	500	1,500	2,000	233	990	1,223
2024	500	1,500	2,000	187	845	1,032
2023	346	1,324	1,670	250	1,139	1,389
2022	268	1,276	1,544	247	1,075	1,322
2021	180	1,118	1,298	276	983	1,259

Source: Registration department 2023/24

2.11 FUTURE DEVELOPMENT PLANS

In the financial year 2025/26 the College has planned to review its Strategic Plan to align with Tanzania's Vision 2050 and Five-Year Development Plan (2025-30). Other, major activity to be done in the financial year 2025-26 is reviewing institutional master and land use plans which will pave the way for future infrastructural development and investment potential. Furthermore, in the financial year 2025/26, will renovate or construct the soil and bitumen laboratory, prefabrication turnkey workshops to increase teaching and learning capacity and new centre for entrepreneurship, innovation and technology transfer will be constructed.

2.12 EMPLOYEES' WELFARE

A founding value of the college has been to provide equal opportunities and a workplace that is representative of the wider communities in which we operate. Our goal is to make sure we continue to empower the careers, aspirations and ambitions of our people. We have been committed to treating all people equally and nurturing great talent, regardless of gender. This culture is something that we are incredibly proud of, and we believe that it is this supportive environment that has helped us to recruit and retain our exceptional team. We promote diversity within our business, our markets and beyond.

The College had 241 employees who served during the year, with a gender parity and comparable years described below:

Table 10: Gender Parity

Gender	2025	2024	2023	2022
Male	209	194	187	171
Female	53	47	43	44
Total	262	241	230	215

Source: Staff establishment 2023/24

2.12.1 Management employees' relationship

There was continued good relation between employees and management for the year ended 30 June 2025. There were no unresolved complaints received by Management from the employees during the year. Communication of staff affairs have been made systematic on a regular basis through general meetings and Researchers, Academician and Allied Workers Union (RAAWU)/THTU/Management joint meetings, departmental meetings, management and staff meetings as well as through notices and College's circulars.

2.12.2 Training facilities

The College provides on-the-job training to all its employees to improve their technical skills and effectiveness. Where necessary, employees are also considered for external training courses that upgrade skills and enhance development. During the year, 33 members of staff were pursuing various training programmes as follows: -

- Eleven (18) - Doctorate programmes (PhD);
- Thirteen (6) - Masters programmes;
- Six (6)- Undergraduate and Advanced Diploma Courses; and
- One (3)- Ordinary Diploma

2.12.3 People with Disabilities

The College gives equal opportunities to the disabled persons for vacancies they are able to fill including student who undergo studies they are treated equally. The College has employed one disabled employee since financial year 2024/2025 who is performing his daily routines at efficiency and effective manner.

2.12.4 Medical Assistance

All members of staff with a maximum number of four beneficiaries (dependents) for each employee were provided medical insurance provided by National Health Insurance Fund (NHIF).

2.13 SOLVENCY

The College's consolidated and Separate Statement of Financial Position at 30 June 2025 is set out on page 32 of the enclosed financial statements. The Governing Board Members consider the College solvent and will continue to operate indefinitely, and will not go out of business and liquidate its assets.

2.14 CAPITAL FUND

The Consolidated Capital Fund stated in the financial statements stands at TZS 479,996,000. It represents the value of two buildings i.e., Hostel number III- phase 1 valued at TZS 158,227,080, the Laboratory block valued at TZS 302,299,200 and capital contributed by ATC PCB PLC valued at TZS 19,470,000. The Construction of these buildings happened before the College became autonomous in 2015.

2.15 OWNERSHIP

Arusha Technical College is wholly owned by the Government of the United Republic of Tanzania.

2.16 RELATED PARTY TRANSACTIONS

Related party transactions were dealt with at an arm's length in the normal course of business and on terms and conditions similar to those applicable to other customers. The remuneration of directors and other key members during the year are disclosed in Note 56 to the financial statements.

2.17 CORPORATE SOCIAL RESPONSIBILITY

The College considers necessity services and giving back for survival of all human beings. The community around the College environment enjoyed some benefits in kind and physical i.e., granted a plot for garden activities, facilitated training on irrigation through demonstration plot at Demo plot and civil skill at ACCT Building. Furthermore, students of secondary and primary schools from various schools in Arusha visited the College for science training purpose. During the year, the College has leased a ritual plot to Masai group at the Eastern Quarters of the ATC Main Campus. Also has donated office furniture to the Kambi ya Chokaa Village located near to Kikuletwa Cascade III.

2.18 ENVIRONMENTAL PROTECTION


The College, being one of the higher learning institutions has taken considerable measures on preservation and proper maintenance of the environment. The College continued to maintain its green area.

2.19 HIV/AIDS POLICY

The College continued to engage itself in sensitization of its staff, staff families, students and other stakeholders in HIV/AIDS awareness programmes pursuant to the Presidential Directive made in December 1999 when HIV/AIDS was declared as a national disaster and therefore directed every sector to take measures in fighting the pandemic.

The College has adopted the following core principles as a basis for its HIV/AIDS policy.

- Continuously assess the risk posed by HIV/AIDS on the College activities;
- Limit the number of new infections among employees;

- 
- Ensure employees living with HIV/AIDS are aware of their rights and that their rights are respected and protected; and
 - Provide care and support to employees living with HIV/AIDS.

2.20 ANTI-CORRUPTION

The College maintains transparency in conducting its business and observes good governance principles, fair public services and maximum customer care to both internal and external customers. The College has a Tender Board and Procurement Management Unit in place to ensure transparency in all procurement transactions.

2.21 RESPONSIBILITY OF GOVERNING BOARD

The members confirm compliance with the provisions of the requirements of International Public-Sector Accounting Standards (IPSAS), TFRS1, the National Council for Technical Education (The Grant of Autonomous Status to the Arusha Technical College Order No. 302 of 24 July 2015) and all other statutory legislations relevant to the College.

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the College to the date of approval of the audited financial statements, in accordance with International Public-Sector Accounting Standards (IPSAS), rules, regulations and legal provisions.

2.22 EVENT AFTER REPORTING DATE

Events after the reporting period are favourable and unfavourable events that occur between the end of the reporting period and the date when the financial statements are authorised for issue. There are no events after reporting date noted.

2.23 STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor of the Arusha Technical College by virtue of Article 143 of the Constitution of the United Republic of Tanzania and amplified in section 32 (4) of the Public Audit Act, Cap.418.

2.24 AUTHORIZATION DATE

The financial statements of ATC for the year ended 30 June 2025 have been approved by the Board Audit Committee on 20 August 2025 and submitted to the Controller and Auditor General for Audit. The Financial Statements were authorized for audit on 30 August 2025 by the Accounting Officer. The financial statements were authorised for issue on 31 March 2026 by the Governing Board, after the Controller and Auditor General has tabled his annual report to the National Assembly of the United Republic of Tanzania.

BY ORDER OF THE GOVERNING BOARD



Dr. Noel Mbende
Chairperson



Prof. Musa N. Chacha
Rector

Date: 27/01/2026

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE


Arusha Technical College (ATC) Establishment Order No. 78 under the National Council for Technical Education (NACTE) Act No. 9 of 1997; requires the Governing Board to ensure that the College keeps proper books of accounts which disclose with reasonable accuracy at any time the financial position of the College.

The Governing Board accepts responsibility of the annual financial statements, which have been prepared in accordance with International Public-Sector Accounting Standards using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Generally Accepted Accounting Principles.

The Governing Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the College and of its operating results. The Governing Board further accepts responsibility for maintaining accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial controls. The Governing Board is also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

The Governing Board has assessed ATC's ability to continue as a going concern and have no reason to believe the College will not be a going concern in the year ahead.

BY ORDER OF THE GOVERNING BOARD



Dr. Noel Mbonde
Chairperson



Prof. Musa N. Chacha
Rector

Date: 27/01/2026

4.0 DECLARATION OF THE HEAD OF FINANCE

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 Accounting/finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Governing Board to discharge the responsibility of preparing financial statements showing true and fair view position and performance in accordance with International Public-Sector Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Governing Board as stated in the Governing Board's Responsibility statement on an earlier page.

I, CPA Adisai S Msongole being the Head of Accounting and finance of Arusha Technical College (ATC) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance International Public-Sector Accounting Standards and the applicable statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Arusha Technical College (ATC) as at 30 June 2025 and that they have been prepared based on properly maintained financial records.



Signed by:

CPA Adisai S Msongole

NBAA Membership No. ACPA 4436

Date: 27/1/2026

5.0 FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	CONSOLIDATED		COLLEGE	
		2025 TZS ('000)	2024 TZS ('000)	2025 TZS ('000)	2024 TZS ('000)
ASSETS					
Current Asset					
Cash and Cash Equivalents	6	9,011,421	6,061,510	8,691,027	6,061,510
Receivables	7	658,261	449,507	393,285	449,507
Prepayments	8	2,727,212	3,112,951	2,727,212	3,112,951
Inventories	9	1,628,895	2,387,332	1,628,895	2,387,332
Total Current Asset		14,025,789	12,011,300	13,440,419	12,011,300
Non-Current Asset					
Property, Plant and Equipment	10	72,452,240	72,387,885	72,452,240	72,387,885
Intangible Assets	11	56,787	46,971	56,787	46,971
Work In Progress	12	27,431,524	20,928,444	27,431,524	20,928,444
Total Non-Current Asset		99,940,551	93,363,300	99,940,551	93,363,300
TOTAL ASSETS		113,966,340	105,374,600	113,380,970	105,374,600
LIABILITIES					
Current Liabilities					
Payables and Accruals	13	4,799,105	3,410,854	4,300,391	3,394,704
Deferred Income	14	7,419,011	4,558,035	7,419,011	4,558,035
Deposits	15	9,279	279,393	9,279	279,393
Total Current Liabilities		12,227,395	8,248,282	11,728,681	8,232,132
TOTAL LIABILITIES		12,227,395	8,248,282	11,728,681	8,232,132
Net Assets		101,738,945	97,126,318	101,652,289	97,142,468
NET ASSETS/EQUITY					
Capital Contributed by:					
Taxpayers/Share Capital	50	479,996	479,996	460,526	460,526
Accumulated Surplus		101,258,949	96,646,322	101,191,763	96,681,942
TOTAL NET ASSETS/EQUITY		101,738,945	97,126,318	101,652,289	97,142,468

The members charged with governance approved these financial statements on 27/01/2026 and signed on its behalf by:

[Signature]
Chairperson

27/01/2026

Date

[Signature]
Rector

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Note	CONSOLIDATED		COLLEGE	
		2025 TZS ('000)	2024 TZS ('000)	2025 TZS ('000)	2024 TZS ('000)
REVENUE					
Revenue Grants	17	8,009,137	7,091,680	8,009,137	7,091,680
Revenue from Exchange Transactions	18	2,732,164	1,829,625	2,002,508	1,829,625
Fair value Gains on Assets and Liabilities	19	91,313	1,648,375	91,313	1,648,375
External Assistance	20	6,474,994	13,722,926	6,474,994	13,722,826
Other Revenue	21	8,566,442	5,367,242	8,566,442	5,367,242
TOTAL REVENUE		25,874,050	29,659,748	25,144,394	29,659,748
EXPENSES AND TRANSFERS					
Expenses					
Wages, Salaries and Employee Benefits	22	8,426,442	7,867,554	8,362,614	7,867,554
Use of Goods and Service	23	9,443,173	8,207,892	8,973,782	8,203,092
Maintenance Expenses	24	301,361	405,276	301,361	405,276
Loss on Disposal of Assets	25	1,266	-	1,266	-
Loss on Foreign Currency Translation	26	430,840	-	430,840	-
Other Expenses	27	289,402	271,522	289,402	271,522
Expected Credit Loss	28	36,626	25,693	36,626	25,693
Social Benefits	29	12,000	7,000	12,000	7,000
Depreciation of Property, Plant and Equipment	10	2,156,877	1,972,576	2,156,877	1,972,576
Amortization of Intangible Assets	11	8,404	4,551	8,404	4,551
Total Expenses		21,106,391	18,762,062	20,523,172	18,757,262
Transfer					
Other Transfers	30	111,401	262,000	111,401	262,000
Total Transfer		111,401	262,000	111,401	262,000
TOTAL EXPENSES AND TRANSFERS		21,217,792	19,024,062	20,634,573	19,019,262
Surplus for the period		4,656,258	10,635,685	4,509,820	10,640,485
Corporate Tax	31	43,631	-	-	-
Surplus / Earning after Tax for the period		4,612,627	10,635,685	4,509,820	10,640,485

The members charged with governance approved these financial statements on 27/01/2026 and signed on its behalf by:

Chairperson [Signature] Date 27/01/2026
 Rectory [Signature]

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Capital contributed TZS ('000)	Accum. Surplus/(Deficit) TZS ('000)	Total TZS ('000)
COLLEGE			
Opening Balance as at 01 Jul 2024	460,526	96,681,942	97,142,468
Surplus/ Deficit for the Year		4,509,820	4,509,820
Closing Balance as at 30 Jun 2025	460,526	101,191,762	101,652,288
Opening Balance as at 01 Jul 2023	460,526	86,865,350	87,325,876
Other Appropriations	0	(823,904)	(823,904)
Surplus/ Deficit for the Year	0	10,640,496	10,640,496
Closing Balance as at 30 Jun 2024	460,526	96,681,942	97,142,468
	Capital contributed	Accum. Surplus/(Deficit)	Total
CONSOLIDATED			
Opening Balance as at 01 Jul 2024	479,996	96,646,322	97,126,318
Surplus/ Deficit for the Year	-	4,612,627	4,612,627
Closing Balance as at 30 Jun 2025	479,996	101,258,949	101,738,945
Opening Balance as at 01 Jul 2023	479,996	86,834,530	87,314,526
Other Appropriations	-	(823,904)	(823,904)
Surplus/ Deficit for the Year	-	10,635,696	10,635,696
Closing Balance as at 30 Jun 2024	479,996	96,646,322	97,126,318

Note:

* Surplus - ATC PCB PLC

** Capital contributed

*** Computation figure of other appropriations ECL due changing of policy as per IPSA 41

The members charged with governance approved these financial statements on 27/06/2026 and signed on its behalf by:

[Signature]

Rector

[Signature]

Chairperson

Date

27/06/2026

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	CONSOLIDATED		COLLEGE	
	2025	2024	2025	2024
	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)
CASH FLOW FROM OPERATING ACTIVITIES				
RECEIPTS				
Subvention from other Government entities	10,870,112	(7,123,541)	10,870,112	(7,123,541)
Revenue Grants	2,508,788	1,649,716	2,002,508	1,649,716
Revenue from Exchange Transactions	8,566,442	1,829,625	8,566,442	1,829,625
Other Revenue	-	5,367,242	-	5,367,242
Increase in Deposit	6,474,995	196,488	6,474,995	196,488
External Assistance	28,420,337	13,722,826	27,914,057	13,722,826
Total Receipts	28,420,337	25,642,356	27,914,057	25,642,356
PAYMENTS				
Wages, Salaries and Employee Benefits	8,424,442	7,867,553	8,360,614	7,867,553
Use of Goods and Service	8,065,223	6,922,702	7,943,165	6,922,702
Social Benefits	12,000	7,000	12,000	7,000
Other Transfers	111,401	262,000	111,401	262,000
Other Expenses	1,055,526	314,335	1,055,526	314,335
Maintenance Expenses	301,357	405,275	301,357	405,275
Decrease in Deposit	270,113	6,189	270,113	6,189
Total Payments	18,240,062	15,785,054	18,054,176	15,785,054
NET CASH FLOW FROM OPERATING ACTIVITIES	10,180,275	9,857,302	9,859,881	9,857,302
CASH FLOW FROM INVESTING ACTIVITIES				
Investing Activities				
Payment for Work in Progress	(6,305,455)	(12,769,025)	(6,305,455)	(12,769,025)
Advance Payment for Acquisition of Property Plant and Equipment	375,739	463,236	375,739	463,236
Acquisition of Property, Plant and Equipment	(852,162)	(536,273)	(852,162)	(536,273)
Acquisition of Intangibles	(18,220)	(12,630)	(18,220)	(12,630)
Total Investing Activities	(6,800,098)	(12,854,692)	(6,800,098)	(12,854,692)
NET CASH FLOW FROM INVESTING ACTIVITIES	(6,800,098)	(12,854,692)	(6,800,098)	(12,854,692)
Net Changes	3,380,177	(2,997,390)	3,059,783	(2,997,390)
Effect of Foreign Currency Changes	(430,840)	-	(430,840)	-
Cash and cash equivalent at beginning of period	6,067,672	9,065,063	6,067,672	9,065,063
Cash and cash equivalent at end of period	9,017,009	6,067,672	8,696,615	6,067,672

The members charged with governance approved these financial statements on 27/01/2026 and signed [Signature] in their behalf by:
 Chairperson _____ Date 27/01/2026
 Rector _____

Controller and Auditor General

AR/PA/ATC/2024/25

CONSOLIDATED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

DESCRIPTION	Original Budget TZS "000"	Reallocations/ Adjustments TZS "000"	Final Budget (B) TZS "000"	Actual Amount on Comparison Basis (A) TZS "000"	Different Final Budget & Actual (B-A) TZS "000"	%	Notes
RECEIPTS							
Subvention from other Government entities	10,725,154	-	10,725,154	10,870,112	(144,958)	(1)	52.1
Revenue from Exchange Transactions	1,512,218	-	1,512,218	2,508,788	(996,570)	(66)	52.2
Other Revenue	9,224,209	-	9,224,209	8,566,442	657,767	7	52.3
External Assistance	9,786,908	-	9,786,908	6,474,995	3,311,913	34	52.4
Total Receipts	31,248,489	-	31,248,489	28,420,337	2,828,152	9	
PAYMENTS							
Wages, Salaries and Employee Benefits	8,730,251	106,500	8,623,751	8,424,442	199,309	2	52.5
Use of Goods and Service	7,636,339	103,829	7,740,168	8,065,223	(325,055)	(4)	52.6
Social Benefits	16,000	-	16,000	12,000	4,000	25	
Other Transfers	111,401	-	111,401	111,401	-	-	52.7
Other Expenses	247,830	5,473	253,303	1,055,526	(802,223)	(317)	52.8
Maintenance Expenses	491,970	17,818	509,788	301,357	208,431	41	
Grants and Transfers	32,500	(30,000)	2,500	-	2,500	100	
Decrease in Deposit	-	-	-	270,113	(270,113)	-	52.9
Payment for Work in Progress	-	-	-	6,305,455	(6,305,455)	-	52.10
Advance Payment for Acquisition of Property Plant and Equipment	-	-	-	(375,739)	375,739	-	
Acquisition of Property, Plant and Equipment	14,788,873	9,380	14,798,253	852,162	13,946,091	94	52.11
Acquisition of Intangibles	2,410	-	2,410	18,220	(15,810)	(656)	52.12
Total Payment	32,057,574	-	32,057,574	25,040,160	7,017,414	22	
Net Receipts/Payments	(186,386)	-	(186,386)	3,380,177	(3,566,563)		

[Signature]
Rector

25/01/2026
Date

[Signature]
Chairperson

NOTES TO FINANCIAL STATEMENTS

1. STATUTE AND PRINCIPAL ACTIVITIES

Arusha Technical College (ATC) was established in March 2007, as an autonomous Institution, through the Arusha Technical College Establishment Order No. 78 under the National Council of Technical Education (NACTE) Act No. 9 of 1997. The ATC replaced the then Technical College Arusha (TCA) that existed since 1978.

ATC is charged with the following main functions.

- (i) Ensuring delivery of quality technical education and training;
- (ii) Provision of facilities for study and training in the principles, procedures and techniques and conduct training programs in Civil, Electrical, Mechanical, Electronic, Irrigation Engineering, Science and Laboratory Technology and such other related disciplines;
- (iii) Application of research and development in the disciplines specified above;
- (iv) Provision consultancy services to the Public; and
- (v) Conducting examination and grant awards of the College as approved by the National Council for Technical Education (NACTE).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and Cash Equivalents comprise deposits held with bank.

(a) Change In Accounting Policy

The introduction of IPSAS 41 substantially modifies IPSAS 29 by classifying financial assets and liabilities through a principles-based classification model, a forward-looking expected credit loss model.

(b) The impact of change in Accounting Policy

The impact of introducing IPSAS 41 is the emergence of Expected credit loss /gain in the Financial Statements by having different Cash and Cash Equivalent figures reported in the Statement of Financial Position and the Statement of Cash flows with Exposure at Default (EAD) (Balance) at the end of the financial year.

The implementation of IPSAS 41 results in several changes, including:

(i) Expected Credit Loss (ECL):

- The recognition of expected credit losses or gains in financial statements.

- Variances in cash and cash equivalent figures reported in the **Statement of Financial Position** and the **Statement of Cash Flows**.
- Key metrics include the **Exposure at Default (EAD)** at the end of the financial year.

(fi) Banking Relationships and Credit Risk:

The Arusha Technical College operates accounts with the following banks, which carry the stated Probability of Default (PD):

No.	Bank Name	Rating Agency	Score	Probability of Default (PD)
1	NMB Bank	Moody's	B1	2.16%
2	CRDB Bank	Moody's	B1	2.16%

(c) Restatement of Accumulated Surplus

The accounting policy change necessitates restatement of the accumulated surplus figures as follows:

Description	Amount (TZS)	Reason
Financial Year 2024/2025	86,865,348,870	
Expected Credit Loss	(1,202,925,052.80)	Change in Accounting Policy
Provision for bad debt	219,915,002.75	Change in Accounting Policy
Depreciation	159,106,374.38	Overcalculation of Depreciation
Restated Balance	86,041,445,194	

(d) Impairment of Financial Assets

The college calculates impairment using the **Expected Credit Losses (ECL) model**. Key points include:

- Loss allowances (ECL) are recognized for all financial assets, excluding those measured at FVTSD and credit-impaired financial assets.
- A simplified approach is used for **receivables**, with annual updates to the ECL model to reflect changes in credit risks.
- ECL is calculated based on:
 - ✓ **Probability of Default (PD):** Likelihood of default over 12 months or the lifetime of the asset.
 - ✓ **Exposure at Default (EAD):** Expected outstanding balance at the time of default.
 - ✓ **Loss Given Default (LGD):** Estimated percentage of loss in a default scenario.

(e) Inputs to ECL Measurement

The ECL is calculated as the product of PD, EAD, and LGD, discounted to the reporting date. The calculation accounts for the likelihood of survival and assumes consistency in default patterns across portfolios.

(f) Analysis of Cash and Cash Equivalents

Cash and cash equivalents, as presented in the Statement of Cash Flows as at 30 June 2025, include adjustments for expected credit loss:

Description	Amount (TZS)
Cash (Statement of Financial Position)	8,691,027,054
Expected Credit Loss	5,587,590
Gross Cash and Cash Equivalent (Statement of Cash Flow)	<u>8,696,614,644</u>

Analysis of Receivables as at 30 June 2025

Adjustments to receivables based on the ECL model are as follows:

Description	Amount (TZS)
Receivables (Statement of Financial Position)	393,285,165
Expected Credit Loss	444,712,565
Gross Receivables	<u>837,997,730</u>

Impact on Statement of Financial Performance

The movement in expected credit losses during the financial year is summarized as follows:

Description	Amount (TZS)
Reversal of Expected Credit Loss	91,313,248
Increase in Expected Credit Loss for the year	36,625,878
Effect in Receivables	<u>54,687,370</u>

(g) Impairment of financial assets

The impairment of financial asset is calculated using expected credit losses model. The Entity recognizes loss allowances {Expected Credit Losses (ECL)} on all financial assets. A loss allowance is calculated at each reporting date however, the ECL model is updated on annual basis to accommodate any event that might cause significant increase in credit risks on financial asset. The term 'expected credit loss' does not imply that losses are anticipated, rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit



losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

Loss allowances for ECL are presented in the statement of financial position as follows: Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

Inputs into measurement of ECLs

The key inputs into the measurement of ECLs are the discounted product of: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

The PD represents the likelihood of a bank defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Entity expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the deposit.

(a) Basis of Preparation


The financial statements have been prepared under historical cost convention. The financial statements comply with International Public-Sector Accounting Standards (IPSAS) on accrual basis.

(b) Functional and Presentation currency

The functional currency of ATC is Tanzania Shillings (TZS) which is also a presentation currency. The figures have been rounded to the nearest thousand (TZS '000') unless indicated otherwise.

(c) Critical accounting estimates and judgments

In the application of the ATC's accounting policies, which are described in note 2, the directors of the College are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are summarized below.

(i) Impairment losses on financial assets

At the end of each reporting year, the College reviews the carrying amounts of its financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized in comprehensive income whenever the carrying amount of the asset exceeds its recoverable amount.

(ii) Property and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial ATC reviewed useful lives of its fixed assets to align them with the "Public Assets Management Guideline 2024. The review resulted into change of depreciation rates of the underlying assets. The change has been applied prospectively in accordance with IPSAS 3. The updated useful lives of assets and their respective depreciation rates have been disclosed in note 2 (b).

(iii) Going concern assumption

Nothing has come to the attention of the directors to indicate that the Organization will not remain a going concern for at least twelve months from the date of this statement.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Translation of foreign currencies

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair

value was determined. Foreign currency differences arising on retranslation are recognized in surplus or deficit in the period in which they arise

(b) Property, Plant and Equipment

All items of Property, Plant and Equipment are initially recorded at cost. Cost comprises of expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only when it is probable that service potential associated with the item will flow to the College and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred. Subsequently, items of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. The cost of major renovations that increases the service potential of the underlying assets is capitalized and subsequently depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. No depreciation is charged if the residual value of an item is equal to or greater than it's carrying value.

Depreciation

Depreciation is calculated on a straight-line basis, at annual rates estimated to write off the cost of each asset over its estimated useful life. The asset useful lives and the depreciation rates below are the result of the change of useful lives done by the College during the current financial year. Further details are in note 10.

Table 11: Depreciation Rates

Description	Economic Life (Years)	Rate
Land	-	-
Buildings	50	2%
Civil Structures	50	2%
Laboratory workshop equipment	15	7%
Motor Cycles	7	14%
Motor vehicles		5%
• Heavy duty (5 tons and above)	20	
• Light duty (below 5 tons)	10	
Library books	7	10%
Office, Hostel and household furniture	10	14%
Office, Hostel and household equipment	10	10%
Computer and accessories	8	10%
Access Roads	7	13%
Bridges	20	14%
Graduation Gown	10	5%

Electrical Equipment	15	7%
Chain Link and Block wall	50	2%

Depreciation is charged on assets from the date when they are ready for use and stops at the earlier of net book value reaching the salvage value and date when the asset is derecognized by the College.

Gains or losses on disposal of fixed assets are determined by comparing the disposal proceeds with the carrying amount and are credited/ charged to the Statement of Financial Performance

Impairment of plant, property & equipment

An impairment loss is recognized for immediately when there is strong evidence that carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value of service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Likewise, the assets' residual values and useful lives are reviewed only when the conditions to warrant the review exists at the date of the Statement of Financial Position. Items of PPE that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Capital Work in Progress

Capital work in progress represents the costs incurred for capital projects that are under construction and are stated at cost. The cost comprises of the cost of materials, labour and overheads. The capital projects that are in progress are not depreciated.

Amortization of Intangible Assets

Intangible assets, including computer software have useful lives of five years. The related cost is amortized at the rate of 20% per annum.

(c) Inventories

Inventories comprising material and repair stocks for machines, engines and vehicle parts, and other equipment, are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method.

Provision is made for the full value of obsolete inventories and stocks which are surplus to requirements. Net realizable value is the estimated selling price in the ordinary course of business less applicable selling expenses. Obsolete items are materials or spares which have no further use due to obsolescence, technological changes or other factors.

(d) Revenue Recognition

Revenue comprises of Revenue from non-exchange transaction (Government Subvention and Revenue Grants), Amortization grants Students Tuition Fees, registration fees and other income (Revenue from consultations, conferences, hiring etc.) as analysed below: -

Government Subvention

Funds disbursed by the Government to the College are recognized when received by the College and credited in the Statement of Financial Performance.

Revenue Grants

Revenue grants received for operating expenditure are recognized when received by the College and credited in the Statement of Financial Performance.

Tuition and other Student Fees

Tuition and other student fees are recognized on accrual basis in the accounting period in which the related academic year falls due.

Other revenue

Other revenue is recognized in the accounting period in which it accrues and/or realized.

(e) Deferred Grant Income

Grants with restriction or conditions received in monetary form for capital expenditure or in form of non-monetary assets are recognized in the statement of financial position as deferred grants income. Value of capital grants for properties whose values appreciate over time such as land are not amortized while grants for other assets are financial instruments.

(f) Non-derivative financial instruments

Non-derivative financial assets comprise investment in securities, loans receivable, trade and other receivable and cash and cash equivalents.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

The measurement basis for financial assets and financial liabilities depends on whether to which group of financial asset or financial liability the underlying asset and liability has been classified.



Financial assets

The College classifies its financial assets as loans and receivables considered as non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the College provides money or services directly to a debtor or student with no intention of trading the receivable. All loans and receivables held by the College fall under this category. Financial assets are initially recognized at fair value or at cost plus transaction costs for all financial assets not carried at fair value.

At subsequent reporting date loans and receivables are measured at amortized cost using the effective interest rate method. Receivables which do not carry interest rate are stated at their nominal value.

Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of financial performance when there is objective evidence that the College will not be able to collect all amounts due according to the original terms of the receivables.

De-recognition

The College derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the College neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the College recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the College retains substantially all the risks and rewards of ownership of a transferred financial asset, the College continues to recognize the financial asset. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in surplus or deficit.


Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss (FVTPL)' or 'other financial liabilities. The College's other liability include borrowings and trade and other payables.

Subsequent measurement

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all



fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The College derecognizes financial liabilities when, and only when, the College's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in surplus or deficit.

Impairment


Non-cash generating assets

The policy applies to all non-cash-generating assets, except assets arising from construction contracts, inventories, financial assets that are included in the scope of financial instruments, investment property measured at fair value, non-cash-generating property, plant and equipment that is measured at revalued amounts, and other assets in respect of which accounting requirements for impairment are included in another IPSAS.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount. An impairment loss shall be recognised immediately in surplus or deficit. After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. Recoverable service amount is the higher of a non-cash-generating asset's fair value, less costs to sell and its value in use. Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Cash generating assets

This policy applies to the accounting for the impairment of all cash-generating assets except inventories, assets arising from construction contracts, financial assets that are within the scope of financial instruments, investment property measured at fair value, cash-generating property, plant, and equipment that is measured at revalued amounts, deferred tax assets, assets arising from employee benefits, intangible assets that are regularly revalued to fair value, goodwill, biological assets related to agricultural activity measured at fair value less estimated point-of-sale costs, deferred acquisition costs and intangible assets arising from an insurer's contractual rights under insurance contracts, noncurrent assets classified as held for sale and discontinued operations, and other cash-generating assets in respect of which accounting requirements for impairment are included in another IPSAS.



Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. ATC assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, ATC estimates the recoverable amount of the asset. The College tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test may be performed at any time during the reporting period, provided it is performed at the same time every year. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount.

That reduction is an impairment loss. An impairment loss is recognized immediately in surplus or deficit. When the amount estimated for an impairment loss exceeds the carrying amount of the asset to which it relates, the College recognizes a liability if, and only if, that is required by another IPSAS.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. Value in use of a cash-generating asset is the present value of estimated future cash flows expected to be derived from the continuing use of an asset, and from its disposal at the end of its useful life. Discount rate is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss recognized in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. That increase is a reversal of an impairment loss.

Re-designation of an asset from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occurs when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the listed indications applicable to the asset after re-designation.

(a) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. They comprise of cash in hand, cash at bank, deposits held on call and fixed deposits.

(b) Provisions

Provisions are recognized when the College has present legal or constructive obligation as a result of past events, 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. Where the College expects a provision to be reimbursed, for example under insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

(c) Employees Benefits Retirement benefits

The College has statutory obligations to contribute to various pension schemes in favour of all the employees employed under permanent and pensionable terms. The pension schemes to which the College contributes are Public Service Social Security Fund (PSSSF). Contributions to these funds are recognized as expenses in the period the employees render the related services.

Short Term Benefits

The cost of all short-term benefits such as salaries, employees' entitlements to leave pay, medical aid, long service awards, other contributions are recognized during the period in which the employees render the related services.

Gratuity

The College pays gratuity of 25% of annual basic salary when falls due to employees working with the College on contract basis.

Terminal Benefits

Terminal benefits are payable whenever an employee's services are terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange of these benefits.

(d) New and amended standards adopted by the College

There are no IPSASs or its interpretations that are effective for year beginning on or after 1 July 2021 that would be expected to have a material impact on college that have not been adopted.

New and amended standards that have been issued during the year but not effective

The standards and amendments that are issued, but not yet effective are disclosed below. Convoy of Hope intends to adapt these standards, if applicable when they become effective.



IPSAS 41: Financial Instruments

This standard establishes new requirements for classifying, recognizing and measurement of financial instruments, and replaces IPSAS 29: Financial Instruments: recognition and measurement.

IPSAS 41 greatly enhance the relevance of information for financial assets and liabilities. It provides users of financial information with more useful information than those provided in IPSAS 29 by:

- Applying a single classification and measurement model for financial assets that considers characteristics of the cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments as part of the risk management strategy.

This standard is effective for annual reporting periods beginning on or after 1 January 2022.

IPSAS 42: Social benefits

The objective of this standard is to define social benefits and determining when expense and liabilities of social benefits are recognized and how they are measured. It provided for guidance on accounting for social benefit expenditure. IPSAS 42 seeks to improve the relevance, faithful representativeness and comparability of the information that the reporting entity provided in the financial statements regarding social benefits. The information provides help to users of financial statement to assess:

- The nature of such social benefits provided by the entity;
- The key features of operation of those social schemes; and
- The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

This standard is effective for annual reporting periods beginning on or after 1 January 2022. The directors have assessed the relevance of the standards, amendments and interpretations with respect to Gaming Board's operations and concluded that they do not have a material impact on the Gaming Board's financial statements.

4. FINANCIAL RISK MANAGEMENT

Financial Instruments

IPSAS 30 requires disclosure of information about the nature and extent of risks arising from financial instruments: - Qualitative disclosures about exposures to each class of risk and how those risks are managed. Quantitative disclosures about exposures to each class of risk, separately for credit risk, liquidity risk, and market risk. Disclosures about liquidity risk include maturity analyses for both non-derivative and derivative liabilities such as issued financial guarantee contracts. Disclosures about market risk include sensitivity analyses.

(a) Credit risk

The College's principal financial assets are bank balances, cash and other receivables. The College's credit risk is primarily attributable to its receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables estimated by the management based on the long outstanding balances and the assessment of the current economic environment. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The College minimizes credit risk from its trade receivables by implementing 100% collection before a student starts an academic year. Overdue balances are pursued vigorously. Credit risk arising from cash at bank is managed by having deposits with more than one bank of good standing. The carrying amounts of financial assets represent the maximum credit exposure (gross). The maximum exposure to credit risk at the reporting date was as follows:

Past due-But-Not- Impaired

As at 30 June 2025, trade and student debtors were past due but not impaired. Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

Other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

The College establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivable.

Cash and cash equivalents

The College held cash and cash equivalents of TZS 8,691,027,000 on 30 June 2025 compared to 30 June 2024 TZS 6,061,508,000 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institutions counterparties of good standing.



(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

(c) Market risk

Market risk comprises mainly three types of risks: currency risk, interest rate risk, and price risk. Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates will affect the College's surplus or deficit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing returns.

(d) Foreign exchange risk

Foreign exchange risk arises from commercial transaction if the College incurs a significant portion of its in-US dollar and the Euro while its earnings are based in Tanzania shillings. The college is not exposed to foreign exchange risk arising from various foreign currency exposures. Its transactions of foreign currencies are insignificant.

Sensitivity analysis

As stated above the College does have insignificant financial instruments that are in foreign currency (ies). The College considers it acceptable not to conduct sensitivity analysis.

(e) Cash flow and fair value interest rate risk

As the College does not have significant interest-bearing assets. The College's income and operating cash flows are substantially independent of changes in market interest rates. The College does not have borrowings.

5. SEGMENT REPORTING

In accordance with IPSAS 18, the College has the Production Consultancy Bureau segment that was established in May 2010 and is registered by the Engineers Registration Board as a Local Engineering Consulting Firm and Material Testing Laboratory by the Engineers Registration Act, 1997 as amended by Act No. 24 of 2007. The bureau was established as per ATC Establishment Order in compliance with the National Policy on Technical Education of 1996 to provide the following service.

- (a) Specialized activities like failure investigations, third party inspection services, damage assessment, materials selection;
- (b) Consultancy services through provision of professional consultations in various

- engineering disciplines, feasibility studies, ICT services, professional training programs, architectural consultations; and
- (c) Production services in engineering like civil, mechanical, automotive, structural, electrical, woodworks,

The segment is reported in a manner consistent with the internal reporting. All transactions between business segments and the College is conducted on an arm's length basis, with intra-segment revenue and costs eliminated in the College's financial statements. Income and expenses directly associated with the segment is included in determining the segment's performance. The segment information has been prepared in accordance with the "management approach" considering the engineering registration requirements that requires submission of a full set of financial statements on annual basis. Further presentation of the segment on the basis of the internal reports about components of the bureau which are regularly reviewed by the Governing Board who are the chief operating decision makers in order to allocate resources to segment and to assess its performance.

Primary segment information - Business Segments

The following tables present profit and loss and assets and liability information regarding the college's segment.

ATC PCB - STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2025

	NOTES	2025	2024
ASSETS			
NON -CURRENT ASSETS			
Property, plant and equipment	8AP	11,883	13,179
TOTAL NON-CURRENT ASSETS		11,883	13,179
CURRENT ASSETS			
Inventory - consumables			
Receivables and prepayments	9AP	981,026	436,131
Cash and cash equivalents	10AP	201,864	237,041
TOTAL CURRENT ASSETS		1,182,890	673,172
TOTAL ASSETS		1,194,774	686,351
LIABILITIES			
TRADE AND OTHER PAYABLES			
Trade & Other Payables	11AP	1,169,539	755,956
Total liabilities		1,169,539	755,956
NET ASSETS		25,236	(69,605)
NET ASSETS			
Capital contributed by:			
Capital Fund	12AP	107,694	107,694
Retained surplus/ (deficit)		(82,458)	(177,299)
NET ASSETS		25,235	(69,605)

ATC PCB - STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

DESCRIPTION	NOTES	2025 TZS '000'	2024 TZS '000'
REVENUE			
Revenue from exchange transactions	5AP	3,578,849	2,312,445
Revenue from non- exchange transactions		577	720,550
Total Revenue		<u>3,579,426</u>	<u>3,032,995</u>
EXPENSES			
Administrative expenses and Finance Expenses	6AP	(71,971)	(67,101)
Production costs	7AP	(3,374,693)	(2,951,447)
ECL Expense (Non-Cash Item)	19AP	(36,626)	-
Depreciations	8AP	(1,296)	(1,472)
Total Expenses		<u>(3,484,586)</u>	<u>(3,020,020)</u>
Surplus for the period		<u>94,841</u>	<u>12,974</u>

In computing the above segment information

- **Segment Revenue**

Arusha Technical College Production & Consultancy Bureau (ATC-PCB) obtained most of its production income from measurements and testing laboratories and workshops mostly being masonry, soil & bitumen lab and water quality lab. Consultancy receipts increased by 9% due new contracts with various government institutions such as UVICO which awarded by the Ministry of Education, Science & Technology on provide consultation works of supervision for RVTSC

- **Segment Expenses**

The bureau expenses are directly matched to its activities/projects. The expenses increased from TZS 3,020,021,000 to TZS 3,484,585,000 due to increase of consultancy activities performed in various regions within Tanzania mainland.

- **Assets and liabilities**

The bureau assets were made of bank and cash balances, Trade and other receivables, Inventory and Property, plant & equipment. During the year the bureau's total assets increased from TZS 686,352,000 to TZS 1,194,774,000 that was largely contributed by increase of bureau generating income raised receivable and prepayments on activities by the end of the reporting period.

Concurrently the bureau's liabilities were made of accruals and trade payables. Trade and other.

Payables increased to TZS 1,169,539,000 in 2024/25 from TZS 755,957,000 in 2023/24 due to credit transaction made to bureau customers on services delivered.

Intersegment transaction

- Inter-segment transactions have been generally made on arm's length per the bureau's policy.

	2025 TZS ('000)	2024 TZS ('000)
6. Cash and Cash Equivalents		
BoT Own source Collection Account	215,866	269,452
Deposit Cash Account	395,028	53,138
Development Expenditure Cash Account	7,783,128	5,849,481
Own source Collection Account - NMB	5,142	6,180
Own source Collection Account - TPB	119,478	48,482
Own source Collection Account -CRDB	216,132	251,895
Own source Development Expenditure	-	(12,399)
Own source Recurrent Expenditure GF	(39,347)	(576,974)
Provision for ECL (Cash)	(5,588)	(6,164)
Recurrent Expenditure Cash Account	269	31,194
Unapplied Cash Account	919	147,225
TOTAL	8,691,027	6,061,510
CONSOLIDATED		
ATC PCB PLC		
Cash at CRDB Bank	320,394	-
Total Consolidated	9,011,421	6,061,508
7. Receivables		
Provision for Expected Credit Loss - Short Term	(444,713)	(498,823)
Receivables	837,998	948,330
TOTAL	393,285	449,507
CONSOLIDATED		
ATC PCB PLC		
Accounts receivable (trade debtors)	264,975	-
Total Consolidated	658,261	449,507
8. Prepayments		
Prepayments Assets - Monetary	2,704,819	3,080,558
Prepayments Expense Opening	22,393	32,393
TOTAL	2,727,212	3,112,951
9. Inventories		
Building Addition	24,266	5,821
Consumables	445,396	16,396
Consumables Opening	-	61,527
Fuel	12,277	8,882
Learning Materials	1,146,956	2,294,706
TOTAL	1,628,895	2,387,332

NOTES TO THE FINANCIAL STATEMENT AS AT 30 JUNE 2025 CONT.

10. PROPERTY, PLANT AND EQUIPMENT SCHEDULE 30 JUNE 2025

DESCRIPTION	Land	Buildings	Civil Structure	Laboratory/Workshop Equipment & plant and Machinery	Office, Hostel & Household equipment	Office, Hostel and Household furniture & fittings	Motor vehicles & Cycles	Library Books	Computer, Server and Accessories	Access Roads	Bridges	Graduation Gown	Electrical Equipment	Chain Link and Block wall	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
At 1st July, 2024	35,901,469	35,721,488	1,088,758	13,666,438	243,157	2,064,130	1,493,061	368,845	1,450,619	1,753,745	15,288	48,629	325,398	65,262	93,906,287
Adjustment OB Cost															
Additions	-	57,973	141,027	1,151,233	31,976	393,714	-	4,154	146,508	295,913	-	-	-	-	2,222,496
Demolishing	-	(1,850)	-	-	-	-	-	-	-	-	-	-	-	-	(1,850)
At 30th June, 2025	35,901,469	35,777,611	1,229,785	14,817,674	275,133	2,457,844	1,493,061	372,999	1,797,126	1,549,658	15,288	48,629	325,398	65,262	96,126,935
DEPRECIATION															
At 1st July, 2024	-	(10,789,850)	(215,113)	(5,666,521)	(158,598)	(1,551,827)	(758,468)	(338,381)	(1,243,401)	(790,209)	(3,832)	(1,763)	(438)	-	(21,518,401)
Adjustment OB Depr.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charges	-	(719,255)	(38,917)	(994,409)	(11,734)	(84,858)	(87,352)	(13,750)	(81,080)	(112,082)	(764)	(4,863)	(6,508)	(1,305)	(2,156,877)
Demolishing Accumulated Depreciation	-	584	-	-	-	-	-	-	-	-	-	-	-	-	584
Accumulated Depreciation	-	(11,508,521)	(254,030)	(6,660,930)	(170,332)	(1,636,685)	(845,820)	(352,131)	(1,324,481)	(902,291)	(4,597)	(6,626)	(6,946)	(1,305)	(23,674,694)

11. INTANGIBLE ASSET SCHEDULE 30 JUNE 2025

Description	2025	2024
	TZS '000	TZS '000
At 1 July 2024		
COSTS	100,326	87,696
Additions	18,220	12,630
		-
At 30 June 2025	118,546	100,326
AMORTIZATION		
At 1 July 2024	(53,355)	(48,804)
Amortization charges	(8,404)	(4,551)
Accumulated Amortization	(61,759)	(53,355)
Carrying Amount at 30 June 2025	56,787	46,971

12. WORKING IN PROGRESS (W.I.P) SCHEDULE FY 2024/25

Posting Group	Description	Location name	BALANCE AT THE START 1 JULY 2024 TZSHS '000'	ADDITIONAL IN PERIOD TZSHS '000'	CAPITALIZATION IN PERIOD TZSHS '000'	BALANCE AT THE END 30 JUNE 2025 TZSHS '000'
FAPG17	Toilet Highway (Canteen)	Highway	57,973	-	(57,973)	-
FAPG17	Construction of Hydropower plant	Kikuletwa	23,179	1,684,539	-	1,707,709
FAPG17	Hospitals, clinic and health facilities	Main Campus	1,618,692	76,408	-	1,695,100
FAPG17	EASTRIP - Kikuletwa Campus	Kikuletwa	18,509,337	3,606,386	-	22,115,722
FAPG17	ICT Equipment (Uninstalled)	Ufundu tower	78,590	-	-	78,590
FAPG17	PWOGGE training workshop	Main Campus	62,607	1,290	-	63,897
FAPG17	Hospitals, clinic Paving	Main Campus	96,690	67,267	-	163,957
FAPG17	Paving Irrigation to Mechanical	Main Campus	-	-	-	-
FAPG17	Underground water tank - Girls hostel	Main Campus	141,027	-	(141,027)	-
FAPG17	Paving Mechanical to Dining	Main Campus	205,648	-	(205,648)	-
FAPG17	Playground	Main Campus	70,414	188,656	-	259,070
FAPG17	Street Light and Power back up	Main Campus	28,825	76,796	(105,621)	-
FAPG17	Benches for student dining hall	Main Campus	35,472	-	(35,472)	0
FAPG17	Coffee Marker Machine	Main Campus	-	18,500	-	18,500
FAPG17	Medical Equipment	Main Campus	-	965,432	-	965,432
FAPG17	Medical Furniture's	Main Campus	-	264,037	-	264,037
FAPG17	Medical laundry	Main Campus	-	54,323	-	54,323
FAPG17	Chairs and Tables for Kikuletwa	Kikuletwa	-	45,187	-	45,187

TOTAL BALANCE 30TH JUNE, 2025
TOTAL BALANCE 30TH JUNE, 2024

<u>20,928,445</u>	<u>7,048,821</u>	<u>(545,741)</u>	<u>27,431,524</u>
7,574,063	13,501,637	147,256	20,928,444

13. Payables and Accruals Descriptions	Opening	Paid	Addition	Balance
	JULY, 2024			JUNE, 2025
Advance for Work in Progress	-	-	107,213	107,213
Advance Utility	11,817	-	(11,227)	590
Other payables	1,407,558	2,772,254	3,350,989	1,986,293
Retention	1,126,100	-	(424,988)	701,112
Staff Claims	-	-	2,000	2,000
Supplies of goods and services	736,358	314,271	947,331	1,369,418
Withholding tax	5,735	-	(3,110)	2,625
Auditing Fees payable	107,140	107,140	131,140	131,140
TOTAL	3,394,704	3,193,665	4,099,348	4,300,391

CONSOLIDATED				
ATC PCB PLC				
Trade and other payables	16,150			498,714
Total Consolidated	3,410,854			4,799,105

14. Deferred Income Descriptions	Opening	Increase in Deferred	Decrease in Deferred	Balance
	Deferred Subvention Capital	0	399,525	399,525
Deferred Subvention Revenue	0	948,031	948,031	0
Development Deferred Income	4,258,805	4,605,808	1,899,188	6,965,426
Recurrent Deferred Income	299,230	12,555,638	12,401,284	453,585
Total	4,558,035	18,509,002	15,648,028	7,419,011

15. Deposits		
Deposit General	8,360	253,063
Unapplied Deposit Account Addition	919	26,330
TOTAL	9,279	279,393
16. Accumulated Surplus		
Accumulated Surplus - College	101,191,763	96,681,942
Accumulated Surplus - College	101,191,763	96,681,942
Accumulated Surplus - ATC PCB PLC	67,186	(35,620)
Accumulated Surplus - Consolidated	101,258,949	96,646,322
17. Revenue Grants		
Government Grant Personal Emolument	5,930,191	5,519,729
Government Grant Development Local	923,275	983,349
Government Grant Other Charges	1,155,671	588,602
TOTAL	8,009,137	7,091,680
18. Revenue from Exchange Transactions		
Graduation Gown hire - Exchange	12,615	8,645
Laboratory Charges	96,525	90,525
Other Collections- Exchange	50,560	46,510
Project and Dissertation Supervision- Exchange	52,950	47,400
Registration Fees- Exchange	56,028	52,649
Revenue from Conference Facilities	68,807	42,785
Revenue from Workshop manufacturers	1,396,983	1,293,076
Student Accommodation Fee- Exchange	268,040	248,035
TOTAL	2,002,508	1,829,625
CONSOLIDATED		
ATC PCB PLC		
Production and Consultancy Revenue	729,656	-
Total Consolidated	2,732,164	1,829,625
19. Fair value Gains on Assets and Liabilities		
Foreign currency exchange gain	-	924,745
Reversal of provision for impairment of Receivables (ECL)	91,313	723,630
TOTAL	91,313	1,648,375
20. External Assistance		
European Union (EU) -Capital (Bilateral)	43,637	87,694
Japan/JICA -Capital (Bilateral)	35,006	30,088
South Korea -Capital (Bilateral)	259,214	-
World Bank (IDA) -Capital (Bilateral)	6,137,137	13,605,044
TOTAL	6,474,994	13,722,826

21. Other Revenue		
Academic transcript fees	16,720	14,580
Application fee	70,695	51,310
Hire of Services	22,123	-
Interest from Revenue from identification fees	111,390	103,375
Miscellaneous Revenue	34,267	31,708
Receipts from Examination Fees	251,000	226,623
Revenue from Certificate of Competence	65,550	62,260
Revenue from Consultancy Fees	3,763,949	1,019,368
Revenue from Rent of Government Quarters	60,475	57,550
Revenue from Tuition Fees	4,170,273	3,800,468
TOTAL	8,566,442	5,367,242

22. Wages, Salaries and Employee Benefits		
Civil Servants	5,899,897	5,514,293
Civil Servants Contracts	43,831	98,456
Court Attire Allowance	1,000	1,000
Electricity Allowance	42,977	38,480
Extra-Duty	448,499	417,536
Facilitation Allowance Expenses -employee	2,650	5,400
Food and Refreshment	17,197	324,731
Furniture Expenses	14,000	14,000
Honoraria	106,710	148,360
Housing allowance Expenses	347,360	195,679
Invigilators Allowances	6,500	22,030
Leave Travel	15,293	14,527
Moving Expenses	12,291	7,720
National Health Insurance Schemes (NHIF) Employee Expenses	800	3,600
Outfit Allowance	-	300
Professional Allowances	42,750	73,070
Public Service Social Security Fund (PSSSF)Employer Expenses	7,390	14,935
Responsibility Allowance	115,649	76,625
Sitting Allowance	153,136	185,770
Special Allowance	956,707	642,592
Subsistence Allowance	31,577	32,650
Transport Expenses	96,400	35,800
TOTAL	8,362,614	7,867,554

CONSOLIDATED

ATC PCB PLC

Personnel Expenses	63,828	-
Total Consolidated	8,426,442	7,867,554

23. Use of Goods and Service

Accommodation Training - Domestic	-	1,800
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Advertising and publication	20,364	2,903
Advertising and Publication - Communication & Information	4,499	30,168
Agricultural Implements	-	400
Air Travel Tickets Training - Foreign	10,759	-
Air Travel Tickets Travel - In - Country	20,905	51,368
Air Travel Tickets Travel Out of Country	3,975	25,950
Bed Sheets and Linen	49,737	-
Conference Facilities	-	6,493
Diesel	171,181	186,985
Donation	2,705	-
Drugs and Medicines	2,705	1,863
Electricity - Utilities Supplies and Services	173,341	137,828
Entertainment - Hospitality Supplies and Services	13,250	20,380
Examination Expenses	29,047	42,720
Exhibition, Festivals and Celebrations	19,052	31,908
Fertilizers	-	360
Food and Refreshments	651,995	144,612
Fumigation Expenses	4,200	7,860
Gifts and Prizes	15,720	15,550
Ground Transport (Bus, Train, Water)	-	3,500
Ground travel (bus, railway taxi, etc.) Travel - In - Country	134,596	183,430
Ground travel (bus, railway taxi, etc.) Travel Out of Country	800	-
Hiring Training Facilities	3,500	4,680
Internet and Email connections	81,536	64,199
Lodging/Accommodation Travel - In - Country	14,885	25,067
Mobile Charges	171,730	158,620
Newspapers and Magazines	357	7,337
Office Consumables (papers, pencils, pens and stationaries)	2,065,056	1,995,875
Operations and Training Fuel	-	9,588
Outsourcing Costs (includes cleaning and security services)	547,409	340,117
Per Diem - Domestic	1,322,646	1,465,347
Per Diem - Foreign	120,230	224,389
Printing and Photocopying Costs	102,697	71,245
Publicity	5,618	2,910
Remuneration of Instructors	573,466	686,121
Rent of Private vehicles	3,350	9,845
Rent of Vehicles and Crafts	5,060	-
Research and Dissertation Training - Domestic	72,861	57,515
Seeds	-	1,000
Sewage Charges - Utilities Supplies and Services	540	296
Small engineering tools and equipment	12,000	5,000
Software License Fees	-	33,063

Special Uniforms and Clothing	6,830	7,890
Sporting Supplies	4,895	5,320
Student meals	894,697	564,868
Subscription Fees	77,252	142,618
Technical Service Fees	15,286	16,241
Training Allowances	221,451	187,265
Training Materials	1,128,805	1,068,135
Tuition Fees Training - Domestic	94,764	75,881
Uniforms -Clothing, Bedding, Footwear and Services	30	2,400
Upkeep Allowances	-	6,155
Visa Application Fees	2,600	3,746
Water Charges	45,400	64,281
TOTAL	8,923,782	8,203,092

CONSOLIDATED

ATC PCB PLC

Operating Expenses	519,391	4,800
Total Consolidated	9,443,173	8,207,889

24. Maintenance Expenses

Cement, Bricks and Building Materials	78,220	55,417
Computers, printers, scanners, and other computer related equipment	6,933	-
Direct labour (contracted or casual hire)	21,188	35,912
Direct labour (contracted or casual hire) - Roads and Bridges	31,386	56,426
Direct labour (contracted or casual hire) - Vehicles and Transportation Equipment	9,440	-
Direct labour (contracted or casual hire) - Water and Electricity	325	-
Electrical and Other Cabling Materials - Buildings	41,003	15,077
Oil and grease	5,383	63,860
Paint and Weather Protection Coatings	3,138	21,571
Pipes and Fittings	15,320	9,739
Plumbing Supplies and Fixtures	1,110	1,106
Roofing Materials	-	25,577
Small tools and implements - Buildings	3,664	-
Small tools and implements - Water and Electricity Installations	-	741
Spare Parts - Vehicles and Transportation Equipment	52,531	86,266
Tyres and Batteries	31,720	13,318
Wood and Timber Supplies	-	20,266
TOTAL	301,361	405,276

25. Loss on Disposal of Assets

Losses on disposal of property, plant and equipment	1,266	-
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TOTAL	1,266	-
26. Loss on Foreign Currency Translation		
Foreign Exchange differences (Losses) - Monetary	430,840	-
TOTAL	430,840	-
27. Other Expenses		
Agency fees	19,270	-
Audit fees Expenses	131,140	104,309
Audit supervision expenses	63,740	38,418
Bank Charges and Commissions	10,269	7,310
Burial Expenses	17,700	3,600
Contingencies Item	1,060	47,609
Facilitation Fees	18,600	-
Freight Forwarding and Clearing Charges	2,700	1,990
Insurance Expenses	-	8,381
Legal fees Expenses	1,940	3,792
Specialized Equipment and Supplies	-	16,160
Sundry Expenses	22,983	39,953
TOTAL	289,402	271,522
28. Expected Credit Loss		
Expected Credit Loss	36,626	25,693
TOTAL	36,626	25,693
29. Social Benefits		
Retirement home -Employment related Social benefits in cash	12,000	7,000
TOTAL	12,000	7,000
30. Other Transfers		
Contribution to CF (15%)	111,401	262,000
TOTAL	111,401	262,000
31. Income Tax Expenses		
Corporate Income Tax Expenses	43,631	-
	43,631	-
	2025	2024
	TZS ('000)	TZS ('000)
32. Subvention from other Government entities		
Revenue		
Add/Less (Change In Working Capital)		
Deferred Subvention Capital	-	(4,953,488)

Deferred Subvention Current	-	(2,170,053)
Receipt	-	(7,123,541)
33. Revenue Grants		
Government Grant Personal Emolument	5,930,191	5,519,729
Government Grant Development Local	923,275	983,349
Government Grant Other Charges	1,155,671	588,602
Revenue	8,009,137	7,091,680
Add/Less (Change in Working Capital)		
Development Deferred Income Addition	2,706,621	4,258,805
Recurrent Deferred Income Addition	154,355	299,230
	2,860,976	4,558,035
Receipt	10,870,113	11,649,716
34. Revenue from Exchange Transactions		
Graduation Gown hire - Exchange	12,615	8,645
Laboratory Charges	96,525	90,525
Other Collections- Exchange	50,560	46,510
Project and Dissertation Supervision- Exchange	52,950	47,400
Registration Fees- Exchange	56,028	52,649
Revenue from Conference Facilities	68,807	42,785
Revenue from Workshop manufacturers	1,396,983	1,293,076
Student Accommodation Fee- Exchange	268,040	248,035
Revenue	2,002,508	1,829,625
CONSOLIDATED		
ATC PCB PLC		
Production and Consultancy revenue	506,280	-
Total Consolidated revenue	2,508,788	1,829,625
35. Other Revenue		
Revenue from Rent of Government Quarters	60,475	57,550
Academic transcript fees	16,720	14,580
Application fee	70,695	51,310
Hire of Services	22,123	-
Interest in Revenue from Identification fees	111,390	103,375
Miscellaneous Revenue	34,267	31,708
Receipts from Examination Fees	251,000	226,623
Revenue from Certificate of Competence	65,550	62,260
Revenue from Consultancy Fees	3,763,949	1,019,368
Revenue from Tuition Fees	4,170,273	3,800,468
Revenue	8,566,442	5,367,242
36. Deposit		
Deposit General	244,703	(201,905)
Unapplied Deposit Account Addition	25,411	11,606
Revenue	270,114	(190,299)

37. External Assistance		
European Union (EU) -Capital (Bilateral)	43,637	87,694
Japan/JICA -Capital (Bilateral)	35,006	30,088
South Korea -Capital (Bilateral)	259,214	-
World Bank (IDA) -Capital (Bilateral)	6,137,137	13,605,044
Revenue	<u>6,474,994</u>	<u>13,722,826</u>
38. Wages, Salaries and Employee Benefits		
Civil Servants	5,899,897	5,514,293
Civil Servants Contracts	43,831	98,456
Court Attire Allowance	1,000	1,000
Electricity Allowance	42,977	38,480
Extra-Duty	448,499	417,536
Facilitation Allowance Expenses -employee	2,650	5,400
Food and Refreshment	17,197	324,731
Furniture Expenses	14,000	14,000
Honoraria	106,710	148,360
Housing allowance Expenses	347,360	195,679
Invigilators Allowances	6,500	22,030
Leave Travel	19,293	14,527
Moving Expenses	12,281	7,720
National Health Insurance Schemes (NHIF) Employee Expenses	800	3,600
Outfit Allowance	-	300
Professional Allowances	42,750	73,070
Public Service Social Security Fund (PSSSF)Employer Expenses	7,390	14,935
Responsibility Allowance	115,649	76,625
Sitting Allowance	153,136	185,770
Special Allowance	956,707	642,592
Subsistence Allowance	31,577	32,650
Transport Expenses	96,400	35,800
Expenses	8,362,614	7,867,553
Add/Less (Change in Working Capital)	(2,000)	-
Staff Claim Addition	(2,000)	-
Payment	<u>8,360,614</u>	<u>7,867,554</u>
CONSOLIDATED		
ATC PCB PLC		
Personnel Expenses	63,828	-
Total Consolidated	<u>8,424,442</u>	<u>7,867,553</u>
39. Use of Goods and Service		
Accommodation Training - Domestic	-	1,800
Advertising and publication	20,364	2,903
Advertising and Publication - Communication & Information	4,499	30,168

Agricultural Implements	-	400
Air Travel Tickets Training - Foreign	10,759	-
Air Travel Tickets Travel - In - Country	20,905	51,368
Air Travel Tickets Travel Out of Country	3,975	25,950
Bed Sheets and Linen	49,737	-
Conference Facilities	-	6,493
Diesel	171,181	186,985
Donation	2,705	-
Drugs and Medicines	2,705	1,863
Electricity - Utilities Supplies and Services	173,341	137,828
Entertainment - Hospitality Supplies And Services	13,250	20,380
Examination Expenses	29,047	42,720
Exhibition, Festivals and Celebrations	19,052	31,908
Fertilizers	-	360
Food and Refreshments	651,995	144,612
Fumigation Expenses	4,200	7,860
Gifts and Prizes	15,720	15,550
Ground Transport (Bus, Train, Water)	-	3,500
Ground travel (bus, railway taxi, etc.) Travel - In - Country	134,596	183,430
Ground travel (bus, railway taxi, etc.) Travel Out of Country	800	-
Hiring Training Facilities	3,500	4,680
Internet and Email connections	81,536	64,199
Lodging/Accommodation Travel - In - Country	14,885	25,067
Mobile Charges	171,730	158,620
Newspapers and Magazines	357	7,337
Office Consumables (papers, pencils, pens and stationaries)	2,065,056	1,995,875
Operations and Training Fuel	-	9,588
Outsourcing Costs (includes cleaning and security services)	547,409	340,117
Per Diem - Domestic	1,322,646	1,465,347
Per Diem - Foreign	120,230	224,389
Printing and Photocopying Costs	102,697	71,245
Publicity	5,618	2,910
Remuneration of Instructors	573,466	686,121
Rent of Private vehicles	3,350	9,845
Rent of Vehicles and Crafts	5,060	-
Research and Dissertation Training - Domestic	72,861	57,515
Seeds	-	1,000
Settlement of Supplier Debts	314,271	156,599
Sewage Charges - Utilities Supplies and Services	540	296
Small engineering tools and equipment	12,000	5,000
Software License Fees	-	33,063
Special Uniforms and Clothing	6,830	7,890
Sporting Supplies	4,895	5,320
Student meals	894,697	564,868

Bank Charges and Commissions	10,269	7,310
Burial Expenses	17,700	3,600
Contingencies Item	1,060	47,609
Facilitation Fees	18,600	-
Freight Forwarding and Clearing Charges	2,700	1,990
Insurance Expenses	-	8,381
Legal fees Expenses	1,940	3,792
Settlement of Other Payables	766,124	-
Specialized Equipment and Supplies	-	16,160
Sundry Expenses	22,983	39,953
Expenses	1,055,526	271,521
Add/Less (Change in Working Capital)	-	42,814
Other Payables Opening	-	42,814
	<u>1,055,526</u>	<u>42,814</u>
Payment	<u>1,055,526</u>	<u>314,335</u>
43. Maintenance Expenses		
Cement, Bricks and Building Materials	78,220	55,417
Computers, printers, scanners, and other computer related equipment	6,933	-
Direct labour (contracted or casual hire) - Buildings	21,188	35,912
Direct labour (contracted or casual hire) - Roads and Bridges	31,384	56,426
Direct labour (contracted or casual hire) - Vehicles and Transportation Equipment	9,440	-
Direct labour (contracted or casual hire) - Water and Electricity	325	-
Electrical and Other Cabling Materials - Buildings	41,003	15,077
Oil and grease	5,383	63,860
Paint and Weather Protection Coatings	3,138	21,571
Pipes and Fittings	15,320	9,739
Plumbing Supplies and Fixtures	1,110	1,106
Roofing Materials	-	25,577
Small tools and implements - Buildings	3,664	-
Small tools and implements - Water and Electricity Installations	-	741
Spare Parts - Vehicles and Transportation Equipment	52,531	86,266
Tyres and Batteries	31,720	13,318
Wood and Timber Supplies	-	20,266
Expenses	<u>301,359</u>	<u>405,276</u>
44. Payment for Work in Progress		
Other Structure - WIP Monetary	(6,305,455)	(12,769,025)
Payment	<u>(6,305,455)</u>	<u>(12,769,025)</u>
45. Prepayments Assets - Monetary	<u>375,739</u>	<u>463,236</u>

Payment	375,739	463,235
46. Acquisition of Property, Plant and Equipment		
Chain Link and Block Wall monetary	-	(65,262)
Electrical equipment Monetary	-	(325,398)
Graduation Gown Monetary	-	(38,363)
Hardware: servers and equipment (incl. desktops, laptops etc.) Monetary	(99,915)	(157,311)
Library Books	(4,154)	-
Office buildings and structures Monetary	-	223,503
Office equipment Monetary	(10,701)	(5,130)
Office Furniture and Fittings Monetary	(313,916)	-
Plant and Machinery	(333,211)	(96,531)
Roads Monetary	(90,265)	(71,781)
Payment	<u>(852,162)</u>	<u>(536,273)</u>
47. Acquisition of Intangibles		
Computer Software Monetary	(18,220)	(12,630)
Payment	<u>(18,220)</u>	<u>(12,630)</u>
48. Effect of Foreign Currency Changes		
Foreign Exchange differences (Losses) - Monetary	(430,840)	-
Payment	<u>(430,840)</u>	-
49. Proceed from sale of PPE		
Losses on disposal of property, plant and equipment	(1,266)	-
Office buildings and structures Depreciation Disposal	(584)	-
Office buildings and structures Disposal	1,850	-
Payment	<u>-</u>	<u>-</u>
50. Taxpayers/Share Capital		
College	460,526	460,526
Consolidated		
ATC PCB PLC	19,470	19,470
Total Consolidated	479,996	479,996

51. RECONCILIATIONS OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT) FOR THE PERIOD ENDED 30 JUNE 2025

	Consolidated		College	
	2025	2024	2025	2024
	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)
Surplus/ Deficit for the Period	4,509,827	10,640,488	4,509,827	10,640,488
Add/ (Less) Non-Cash Item				
Amortization of Intangible Assets	8,403	4,553	8,403	4,553
Depreciation of Property, Plant and Equipment	2,156,877	1,972,577	2,156,877	1,972,577
Expected Credit Loss impairment	36,626	25,693	36,626	25,693
Fair value Gains on Assets and Liabilities	(91,313)	1,648,375)	(91,313)	(1,648,375)
Loss on Disposal of Assets	1,266	-	1,266	-
Loss on Foreign Currency Translation	430,840	-	430,840	-
Add/ (Less) Change in Working Capital				
Deferred Income	2,860,975	(2,565,506)	2,860,975	(2,565,506)
Inventories	776,882	897,262	776,882	897,262
Other Receipt	(270,113)	190,299	(270,113)	190,299
Payables and Accruals	208,754	541,732	(570,389)	541,732
Prepayments	-	(10,000)	10,000	(10,000)
Receivables	(120,708)	(191,420)	-	(191,420)
Net Cash Flow from Operating Activities	10,180,276	9,857,303	9,859,881	9,857,303

Controller and Auditor General

AR/PA/ATC/2024/25

52. EXPLANATIONS FOR THE DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS ON COMPARABLE BASIS

52.1 Subvention from other Government entities TZS 144,958,000

The Actual Amounts on Comparable Basis from other government entities include deferred income revenue and capital, grants, gifts and donation. The favourable variance of revenue grants by 1% was due to increase in donation due to economic boosting.

52.2 Revenue from Exchange Transactions TZS 490,290,000

The Actual Amounts on Comparable Basis for revenue from exchange transactions include increase of receipts from customers and student income. The favourable variance of Revenue from exchange transaction by 36% was due to increase of revenue.

52.3 Other Revenue TZS 657,767, 000

The favourable variance of by 7% was due to decrease on various source of other revenue during the year.

52.4 External Assistance TZS 3,311,913,000

The unfavourable variance of decrease by 34% is due mainly attributed by the non-disbursement amount of receipts from external.

52.5 Wages, Salaries and Employee Benefits TZS 263,137,000

The favourable variance of employee benefit by 3% is due to less transfer and employment of employees.

52.6 Use of Goods and Service 202,997,000

The unfavourable variance of Supplies and consumables used by 3.0% is due mainly attributed by the increase in activities such as advertising and publication, audit supervision expenses, computer supplies and accessories, ground transport, internet and email connection, office consumables, diesel, training materials and per diem domestic.

52.7 Other Expenses TZS 802,223,000

The unfavourable variance amount by 317% from other expenses due increase of activities raised more expenditure.

52.8 Maintenance Expenses TZS 208,431,000

The favourable variance amount by 41% from maintenance expenses due to decrease activities of repair and maintenance.

52.9 Payment for Work in Progress 6,305,455,000

The unfavourable variance amount by 100% from payment of W.I.P due to increase project construction and completion of the previous project.

52.10 Advance Acquisition of Property, Plant and Equipment TZS 375,739,000

The favourable variance of property, plant and equipment by 100% was due to less acquisition of fixed assets and completion of building construction projects i.e girls' hostel, ufundi tower, medical clinic and EASTRIP by the year end.

52.11 Acquisition of Property, Plant and Equipment TZS 13,946,091,000

The favourable variance of property, plant and equipment by 94% was due to less acquisition of fixed assets and completion of building construction projects i.e girls' hostel, ufundi tower, medical clinic and EASTRIP by the year end.

52.12 Acquisition of Intangibles TZS 15,810,000

The unfavourable variance amount by 656% from acquisition of Intangibles due to increase the ICT infrastructure to equip with technological changes.

53. Budget Reallocation

The budget reallocation resulting to the net increase in budgeted expenditure by TZS 136,500,000 was on 32nd Budget Committee Meeting held on 8 January, 2025 and approved by GB Chairperson and notified in the 62th Governing Board Meeting held on 10 May 2025. The budget covers the period of twelve (12) months from 1 July 2024 to 30 June 2025. These reallocations were due to carryover, Medical Clinic and construction of infrastructure fund from own source.

54. Budgetary Basis and Classification Basis Adopted in The Budget

The Centre uses cash basis of budget preparation and classification. Consequently, the actual amounts used in the statement of comparison of budget have been adjusted to ensure comparability as the financial statements are prepared using accrual basis of accounting.

55. CAPITAL FUND

The Capital Fund stated in the financial statements at 30 June 2025: TZS 460,526,280 represents value of the buildings and all assets built/granted by the Government before College became an autonomous body.

56. TAXATION

The Governing Board considers that the Arusha Technical College being a government institution is deemed to have been exempted from paying taxes. Materials exclusively for education purposes or research are exempted from import duty by virtue of para 17 of part B of the Fifth Schedule of East African Community Customs Management Act, 2004. They are also exempted from VAT under item 14 of part II of the exemption Schedule of the Act No. 5 of 2014.

57. RELATED PARTY TRANSACTIONS

The College is full owned by the government of the United Republic of Tanzania. There are other entities that are related to the College through common ownership. A number of transactions are entered into with related parties in the normal course of business. These include claims to the ministry, the governing board expenses and payments to key personnel.

During its operations, the College enters into transactions with related parties, which include the Government of the United Republic of Tanzania, the ultimate shareholder of the College, the related party transactions during the year are as follows:

(i) Expenses incurred with related party

	2023/24 TZS'000	2022/23 TZS'000
Board Expenses	55,004	74,500
Directors Fees	64,000	64,000
Key management personnel	161,616	183,117
	<u>280,620</u>	<u>321,617</u>

(ii) Balances with Related party

Contribution to Government	60,000	54,000
National Council for Technical Education (NACTE)	6,000	38,841
	<u>66,000</u>	<u>92,841</u>

58. COMPUTATION OF OTHER APPROPRIATION-TO CHANGE IN NET ASSETS

Description	Amount (TZS)	Reason
Expected Credit Loss	(1,202,925,053)	Change in Accounting Policy
Provision for bad debt	219,915,003	Change in Accounting Policy

Controller and Auditor General

AR/PA/ATC/2024/25

Depreciation 159,106,374 Overcalculation of Depreciation
(823,903,676)

59. TRIAL BALANCE OF ATC PCB PLC	Debit	Credit
62123131 Cash and Cash Equivalent's Bank TZS	320,394,101.67	
Accounts Receivable (A/R)	264,975,390.11	
Stock Asset	0.00	
33181102 Trade and Advance - Addition: Accrued Expenses		428,933,076.15
33181106 Trade and Advance - Addition: Audit Fees Payable		10,000,000.00
63181106 Audit fees Payable		3,900,000.00
63182125 Income Tax Payable Opening		12,250,000.00
33182116 Other Accounts Payable - Addition: income Tax Payable		43,630,924.69
VAT Payable		0.00
Opening Balance Equity		19,470,000.00
Retained Earnings	35,620,000.00	
14210140 Sales of Goods and Services: Production		118,238,362.11
14210148 Sales of Goods and Services: Consultancy Sales		618,678,236.75
21113103 Personnel Allowances - (Non-Discretionary): Extra-Duty Allowance	7,261,095.12	
21113126 Personnel Allowances - (Non-Discretionary): Professional Allowance	300,000.00	
21114105 Personnel Allowances - (Discretionary) - Optional: Casual Labour Allowance	63,477,857.00	
22001101 Office, General Supplies and Services: Office Consumables (Papers, Pencils, Pens and Stationaries)	50,000.00	
22001123 Office, General Supplies and Services: Other Raw Materials	237,000.00	
22001129 Office, General Supplies and Services: Monitoring and Supervision Expenses	53,965,552.00	
22003102 Fuel, Oils, Lubricants: Diesel	39,477,078.51	
22007104 Rental Expenses: Rent of Private Vehicles	22,564,903.48	
22010105 Travel in Country: Per Diem - Domestic	1,100,000.00	
22014104 Hospitality Supplies and Services: Food and Refreshments	388,627,035.16	
22031111 Expenses on Professional Fees and charges: Bank Charges and Commissions	1,648,750.00	
22032157 Other operating Expenses: Other License and Fee	370,911.96	
20212142 Current Transfers - Consolidated Fund: Revenue Transfers	1,400,000.00	
20520201 Audit Fees Expenses	0.00	
20211123 Income tax expense: Corporate Tax	10,000,000.00	
TOTAL	<u>1,255,100,599.70</u>	<u>1,255,100,599.70</u>

60. CONTINGENT LIABILITIES AND COMMITMENTS

Legal Claims

- At the year end the College had a has one (1) case at the Court of Appeal of Tanzania, Arusha Registry. The status is briefly explained hereunder in table 12 below.

Table 12: Litigations claims against the Arusha Technical College Case Status Report as at 30 June 2025

SN	PARTIES	CASE NO.	COURT	FACT IN BRIEF	STATUS
01	Victor W. Mweena vs. Halidim H. Saralkikya WS Arusha Tech College.	Labour Execution No. 13189 of 2024	Court of appeal Tanzania, Arusha Registry	The case emanates from Civil Appeal case No. 515 of 2020. The employer duly complied with court's directives by reinstating the applicant to their positions, ensuring that they suffer no pecuniary loss. However, the portion of the judgement concerning payment of arrears is still waiting for execution through the government procedures of arrears settlement.	The salary arrears calculated waiting for the discussion of modes of payment, for the court to issue the certificate of payment; The matter will be presented to the court on 01 September, 2025 for the special order of the court.

Source: College legal department



61. CAPITAL COMMITMENTS

There were no capital commitments contracted for or approved at reporting.

62. COMPARATIVE FIGURES

Reclassifications are made to prior year figures to conform to presentation in the current year when deemed necessary.

63. DISCLOSURE OF INTER -PSES TRANSACTIONS AND BALANCES

ENTITY NAME: ARUSHA TECHNICAL COLLEGE

FINANCIAL YEAR: 2024/2025

TRANSACTION WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30TH JUNE 2025

S/N	Goods/Services Provided (Revenue)	Goods/Services received (Expenses)	Counterpart Entity	Amount
1	Consultancy	Geotechnical soil investigation-residential building	Immigration Department	13,136,842.11
2	Consultancy	Being receipts for provision of consultancy service for 11 FDC's	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	1,210,908,717.20
3	Consultancy	Being the receipt for the ATC PCB VETA projects	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	525,544,400.00
4	Consultancy	Geotechnical Soil Investigation Drilling Borehole	National Irrigation Commission	41,139,000.00
5	Consultancy	Asilimia 20% ya pesa iliyo baki katika Mkataba wenye Zabuni namba AE-102/2020-2021/CS/015	Rural Water Supply and Sanitation Agency (RUWASA)	26,022,000.00
6	Consultancy	Geotechnical soil investigation for Bearing capacity	Same District Council	5,274,400.00
7	Consultancy	Being receipt for provision of consultancy services for design review & supervision of construction of Tanzanite Trading Center at Mirelani township authority - post contract	Simanjiro District Council	14,915,022.72
8	Consultancy	Geotechnical soil investigation	Tanga City Council	35,003,000.00
9	Consultancy	Mechanical and industrial consultancy services -short course fee	Tanga Water Supply and Sanitation Authority (TAUWASA)	4,900,000.00
10	Consultancy	Geotechnical investigation soil in Three bridges serengeti	Tanzania National Parks (TANAPA)	21,613,000.00
11	Consultancy	Being receipt for geotechnical investigation for proposed Sanjo bridge Meatu district	Tanzania Rural Roads Agency (TARURA)	28,455,000.00
12	Consultancy	Being receipt for consultancy for construction of 2nd phase buildings	Tanzania Public Service College	32,539,500.00
13	Consultancy	Being receipt for provision of consultancy service for document review & supervision of construction of library at IRDP Mwanza	Institute Of Rural Development	79,951,240.00
14	Production	Cube COMPRESSION Test	Arusha City Council	60,000.00

63. DISCLOSURE OF INTER -PSES TRANSACTIONS AND BALANCES

ENTITY NAME: ARUSHA TECHNICAL COLLEGE

FINANCIAL YEAR: 2024/2025

TRANSACTION WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30TH JUNE 2025

15	Production	Geotechnical Soil investigation Enaboishu Academy	Arusha District Council	5,535,000.00
16	Production	Being receipt for separation of generator switch gears at AICC	Arusha International Conference Centre (AICC)	2,776,974.00
17	Production	Pump repair	Arusha Urban Water Supply and Sanitation Authority (AUWASA)	600,000.00
18	Production	Reinforcement test	Babati District Council	450,000.00
19	Production	Geotechnical soil investigation	Babati Town Council	6,919,000.00
20	Production	Geotechnical Soil investigation	Bariadi District Council	8,594,972.00
21	Production	Tensile test	Bumbuli District Council	450,000.00
22	Production	Reinforcement tests	Dodoma City Council	600,000.00
23	Production	Reinforcement test	Hanang District Council	1,200,000.00
24	Production	REINFORCEMENT TEST	Ikungi District Council	300,000.00
25	Production	REINFORCEMENT TEST	Institute of Accountancy Arusha (IAA)	1,446,000.00
26	Production	REINFORCEMENT TEST	Iramba District Council	6,000,000.00
27	Production	Reinforcement test	Irigi District Council	1,500,000.00
28	Production	REINFORCEMENT TEST	Karagwe District Council	750,000.00
29	Production	Reinforcement test	Kilimanjaro Water Supply and Sanitation Authority (MOWASA)	600,000.00
30	Production	Being Maintenance and repair cost of STM 8100	Longido District Council	71,579,000.00
31	Production	Reinforcement test	Manyara Water Supply and Sanitation Authority (BAWASA)	3,150,000.00
32	Production	Reinforcement test	Mbulu District Council	1,650,000.00
33	Production	CUBE TEST	Ministry of Defence and National Service	1,320,000.00
34	Production	BUILDING MATERIAL TEST	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	2,460,000.00

63. DISCLOSURE OF INTER -PSES TRANSACTIONS AND BALANCES

ENTITY NAME: ARUSHA TECHNICAL COLLEGE

FINACIAL YEAR: 2024/2025

TRANSACTION WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30TH JUNE 2025

35	Production	Smart Board Linkage, Projector Moving Mechanism, and Control System	Ministry Of Home Affairs (Police)	22,850,000.00
36	Production	Reinforcement test	Ministry Of Home Affairs (Prisons)	11,012,000.00
37	Production	Tensile test	Mkalama District Council	1,500,000.00
38	Production	Reinforcement test	Moshi District Council	1,800,000.00
39	Production	Material test	Mt. Meru Referral Regional Hospital	750,000.00
40	Production	Building materials test	Mwanga District Council	1,880,000.00
41	Production	Building material test	Nelson Mandela African Institute of Science & Technology (NM-AIST)	7,710,000.00
42	Production	Reinforcement test	Nyanghwale District Council	300,000.00
43	Production	REINFORCEMENT TEST	President's Office - Public Service Mgt and Good Governance	750,000.00
44	Production	Reinforcement test	President's office-Regional Administration & Local Government	24,283,000.00
45	Production	REINFORCEMENT TEST	Serengeti District Council	600,000.00
46	Production	Reinforcement test	Singida District Council	600,000.00
47	Production	Reinforcement test	SINGIDA MUNICIPAL COUNCIL	300,000.00
48	Production	Autoclave maintenance	Tanzania Agricultural Research Institute (TARI)	20,000.00
49	Production	Reinforcement test	Tanzania Building Agency (TBA)	900,000.00
50	Production	Quality verification from inspections	Tanzania Fertilizer Regulatory Authority (TFRA)	3,000,000.00
51	Production	Material test	Tanzania Forest Services Agency (TFSA)	1,140,000.00

63. DISCLOSURE OF INTER -PSES TRANSACTIONS AND BALANCES

ENTITY NAME: ARUSHA TECHNICAL COLLEGE

FINANCIAL YEAR: 2024/2025

TRANSACTION WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30TH JUNE 2025

52	Production	Compression test	Tanzania Meteorological Authority (TMA)	240,000.00
53	Production	Field compaction test	Tanzania National Parks (TANAPA)	4,230,000.00
54	Production	Bitumen test two samples	Tanzania National Road Agency (TANROADS)	5,100,000.00
55	Production	Service Toyota Hilux namba rac 328	Tanzania Railways Corporation (TRC)	20,000.00
56	Production	Material test	Tanzania Social Action Fund (TASAF)	630,000.00
57	Production	Borrow pit Testing	Tanzania Wildlife Management Authority (TAWA)	275,000.00
58	Production	Maintenances and repair of STK 925	Tengeru Institute of Community Development (TICD)	4,323,000.00
59	Production	REINFORCEMENT TEST	Ukerewe District Council	300,000.00
60	Production	Materials test	Karatu District Council	900,000.00
61	Production	Tensile test	SHINYANGA DISTRICT COUNCIL	450,000.00
62	Production	Kutengeneza mlingoti wa bendera ya gari	ARUMERU DISTRICT COUNCIL	150,000.00
63	Production	Compression test	TMA	120,000.00
64	Salary	Being salary for the month of September 2024	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	5,705,880,938.63
65	IPT	Being receipt of fund from Ministry of Education for Industrial Practical Training (IPT) for academic year 2023/2024	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	399,525,000.00
66	Other Charges	Being receipts for OC for the month of August 2024	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	1,155,028,333.34
		TOTAL		9,513,910,340.00

64. LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2024-EXPENDITURE

S/N	Goods/Services received	Name of Entity provided goods/services	Amount Paid	Payable balance/Over payment
1	Fuel	Government procurement service agency (GPSA)	214,744,819.98	
2	Air Ticket	Air Tanzania cooperation Limited	10,507,800.00	
3	Water and sewage service	Arusha urban water supply authority (AUWSA)	58,990,112.00	
4	Certificate Printing	National printing company Limited	32,407,500.00	
5	Electricity services	Tanzania Electric supply company LTD (TANESCO)	181,868,045.77	
6	Internet Services	TTCL	20,709.00	
7	Employer contribution	PSSF	20,532,495.00	
8	Auditing fees	CAG	121,140,000.00	(10,000,000.00)
9	15% contribution to GVT	Treasury Registrar	262,000,000.00	
10	Business Licence	Arusha city council	200,000.00	
	TOTAL		902,411,481.75	(10,000,000.00)