



2010/2011

ANNUAL REPORT AND FINANCIAL STATEMENTS





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Nufaika na Mafao ya Muda Mrefu. Jiunge Nasi.

Pensheni ya Uzeeni ■ Pensheni ya Ulemavu ■ Pensheni ya Urithi

Pensheni ya Uzeeni

Hulipwa mwanachama anapostaafu ikiwa:

- i) Ametimiza umri wa kustaafu
- ii) Amechangia angalau miezi 180

Pensheni ya Ulemavu

Mwanachama ambaye itathibitika kwamba amelemaa kimwili au kiakili na kushindwa kuendelea na kazi atalipwa pensheni ikiwa:

- i) Awe amechangia angalau miezi 180 au
- ii) Awe amechangia angalau miezi 36 na katika michango hiyo miezi 12 iwe imechangiwa mara tu kabla ya ulemavu

Pensheni ya Urithi

Hulipwa kwa wategemezi wa mwanachama aliyefariki ambao ni mke/mume na watoto wasiozidi wanne wa chini ya umri wa miaka 18 au 21 ikiwa wapo masomoni. Iwapo hawa hawapo basi mafao yatalipwa kwa wazazi wa mwanachama aliyefariki. Kama wote hawapo atalipwa ndugu wa karibu kwa mujibu wa sheria ya mirathi.



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Transmission Letter



NATIONAL SOCIAL SECURITY FUND

Head Office: Benjamin W. Mkapa Pension Towers, Azikiwe St. P.O. Box 1322, Dar es Salaam
Tel: +255 22 2163400-19 Fax: +255 22 2200019 Email: info@nssf.or.tz

Hon. Gaudensia Mugosi Kabaka, MP.
The Minister for Labour and Employment
P.O. Box 1422,
DAR ES SALAAM

Honourable Minister,

RE: SUBMISSION OF NATIONAL SOCIAL SECURITY FUND ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDING 30TH JUNE 2011

Please refer to the subject matter indicated above and Section 69 of the NSSF Act No. 28 of 1997.

To comply with the directives stipulated in the Section referred above, the Annual Report and Audited Accounts of the National Social Security Fund for the financial year 2010/11 is hereby submitted to you for further actions.

The following forms main components of the Report: -

- i) Statement of the Chairman of the Board of Trustees of National Social Security Fund;
- ii) Report of the Director General of the Fund on the performance of the Fund in executing its core functions during the period under review; and
- iii) Audited financial statements of the Fund for financial year 2010/11.

It is our expectation that the Report will be a yard stick for the Government and other stakeholders to understand the performance and financial condition of the Fund during the period under review. We therefore look forward for further guidance from the Government and more constructive opinions from our stakeholders towards making the Fund continue to be the leading social security in Tanzania and also to live to its vision of becoming a leader in social security services in Africa.

With all due respect, I humbly submit this Report.

Abubakar S. Rajabu
Chairman
Board of Trustees
National Social Security Fund

We Build Your Future

Old Age Invalidity

Survivors Funeral Grant Maternity Employment Injury Social Health Insurance
All correspondence should be addressed to the Director General



Chairman's Statement

Honourable Minister and all humble stakeholders of the Fund,
I take this opportunity once again to present to you, briefly, the performance and condition of the Fund during the financial year ended on 30th June 2011.

I am grateful to let you know that this was the first year of implementing the second Three Year Corporate plan of the Fund (2010/11 – 12/13). During this period, the Fund continued to perform well and in line with the corporate objectives targets. I proudly inform you that the Fund registered significant growth in all of its four core function areas, namely registration of members, collection of contributions, investing members' moneys and payment of benefits.

The Fund managed to increase its membership size by 3% to 521,629 from 501,218 recorded in the previous year. Similarly, the total number of registered employers increased from 17,666 in 2009/10 to 18,779 reflecting a growth rate of 6%. This increase is also reflected in the increase in contribution collection in which the amount collected increased by 18.8% to Tshs. 356,512.06 million over Tshs. 300,089.54 million collected in 2009/10.

On the other side, amount paid by the Fund to its members in the form of various benefits increased by 24% from Tshs. 110,135.33 million in 2009/10 to Tshs. 136,596.50 million. Significant increase is noted in the payment of Retirement, Maternity, Social Health Insurance and Survivors benefits which had growth rates of 73.8%, 50.6%, 39.2% and 34.2% respectively.

Furthermore, total investments held by the Fund increased by 18.2 % from Tshs. 1029,206.18 recorded in 2009/10 to Tshs. 1,216,624.52 million. Likewise, the amount of income collected from the Fund's investments increased by 4.7% from Tshs. 86,453.76 million in 2009/10 to Tshs. 90,509.38 million.

The above good results have increased the financial capacity of the Fund. In this respect, the total assets of the Fund have increased by 20.7% from Tshs. 1,198,200.98 million in 2009/10 to Tshs. 1,446,280.76 million. In same manner, the net worth of the Fund, i.e., the effective ability of the Fund to pay benefits to its members, increased by 19.8% to Tshs. 1,353,191.69 million from the previous level of Tshs. 1,129,179.92 million. With the current level of total benefit payments, the Fund meets such obligations 10 times with the current level of its net assets available.

We extend our appreciation to the Government for providing a conducive operating environment which enabled the Fund to record the above performance. It is in our sincere hope that such good operating environment will prevail in the coming period so as to enable the Fund achieve its Corporate targets for the betterment of its members and the nation as a whole.

The Fund promised to hold its first Stakeholders Conference during the period under review. The promise was fulfilled and the first conference was held in February 2011 at the Arusha International Conference Centre. More than 500 participants attended the Conference. On behalf of the Fund, I wish to extend my grateful thanks to Hon. Mizengo Kayanza Peter Pinda, the Prime Minister of the United Republic of Tanzania, for accepting our invitation to open the first Conference. We also thank Hon. Gaudentia Kabaka, the Minister for Labour and Employment, for a good opening speech she gave on behalf of the Prime Minister. We also take this opportunity to thank all respectful guests, both foreigners and local, for accepting our invitation and for coming to support us in setting this new milestone in serving our esteemed stakeholders.

You all recall that a number of resolutions were made. I wish promise that the Fund will work on all of them and a feedback on the status of implementation for each resolution will be given before or at the next Conference.

As observed, the Conference proved to be an important forum for discussing many important issues to the Fund. I therefore take this opportunity to request all stakeholders to either participate directly in the coming Conference or ensure that they choose representatives to attend the Conference. This will enable them to present their views and at the same time be able to get feedback on matters that transpired during the Conference.

Lastly, on behalf of my fellow Board members, I wish once again to thank you all for supporting the Fund. We sincerely request you to continue with such support in the coming period.

Thank you all.

Abubakar S. Rajab
Chairman
Board of Trustees
NATIONAL SOCIAL SECURITY FUND



Board of Trustees



Mr. Abubakar S. Rajabu
Chairperson



Dr. Ramadhani K. Dau
Secretary



Mr. Cornelius Kariwa
Trustee, Employers



Ms. Amina Muhaji
Trustee, Government



Mr. Muthahir M. Muthahir
Trustee, Government



Mrs. Hildegard A. Mziray
Trustee, Employers



Dr. M. Assad
Trustee, Government



Mr. Omar Juma Ayoub
Trustee, Employees



Mr. Daudi N. Kaali
Trustee, Government



Mr. Boniface Y. Nkakatisi
Trustee, Employees



Mr. Nicholas T. Kingazi
Trustee, Employees





1.0 Introduction

- 1.1 The National Social Security Act No. 28 of 1997 mandates the Fund to undertake four major functions, namely, registration of members, collection of contributions, investment of funds collected, and payment of benefits to members fulfilling the stipulated qualifying conditions.
- 1.2 Hereunder is a report on the operational performance of the Fund for the financial year 2010/2011. The report presents operational results for all four key operation areas of the Fund. The results reported are compared to targets set in the Corporate Plan (2010/11 – 2012/13). You will recall that this was the first year of implementing this Corporate Plan. Similarly, growth analysis is shown in relation to the previous year results, 2009/10 and a growth trend for a period of five years, i.e., 2006/7 to 2010/11 is presented in tabular and graphical way.
- 1.3 Against these performance yardsticks, I am proud to inform you that the overall performance of the Fund for 2010/11 was in line with the Corporate Plan and the Fund has continued with a positive growth in all key areas of its operations.
- 1.4 The report also highlights on other areas associated to its core functions including staff welfare, corporate and public relations, regional and international relations, exhibitions, sports, achievements and challenges experienced during the period and a brief on the Fund's plans for 2011/12.
- 1.5 Stakeholders are encouraged to read this report for the purpose of understanding the performance of the Fund and its financial condition. On the basis of the same, stakeholders are requested to share their views and opinions with the Management for the betterment of the Fund. Stakeholders are also encouraged to frequently visit the Fund's website: www.nssf.or.tz for more and updated information about the Fund's operations.

2.0 Membership

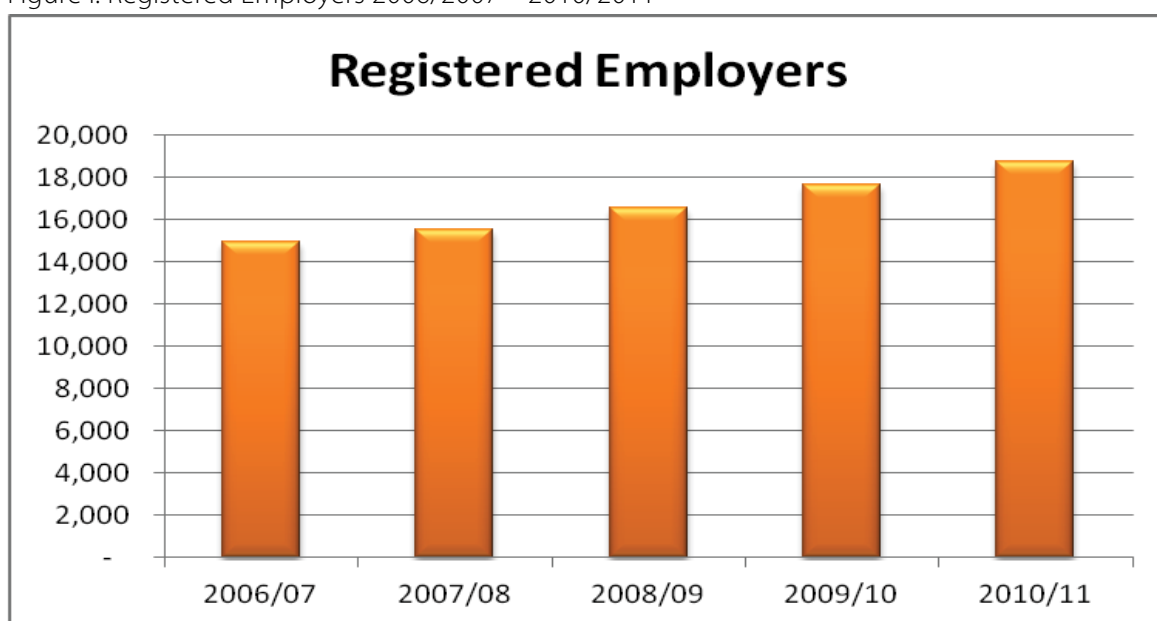
- 2.1 During the period under review, the membership size of the Fund continued to expand. By the end of year 2010/2011, the Fund had a total of 521,629 registered members originating from 18,779 registered employers. This membership size reflects a growth of 3% and 6% in the total number of registered members and employers as compared to 506,218 registered members and 17,666 registered employers reported at the end of 2009/2010 financial year.

Table 1: Membership Size – 2006/07 – 2010/11

Year	2006/07	2007/08	2008/09	2009/10	2010/11
Registered Employers	14,927	15,560	16,592	17,666	18,779
Registered Employees	408,970	447,797	475,993	506,218	521,629

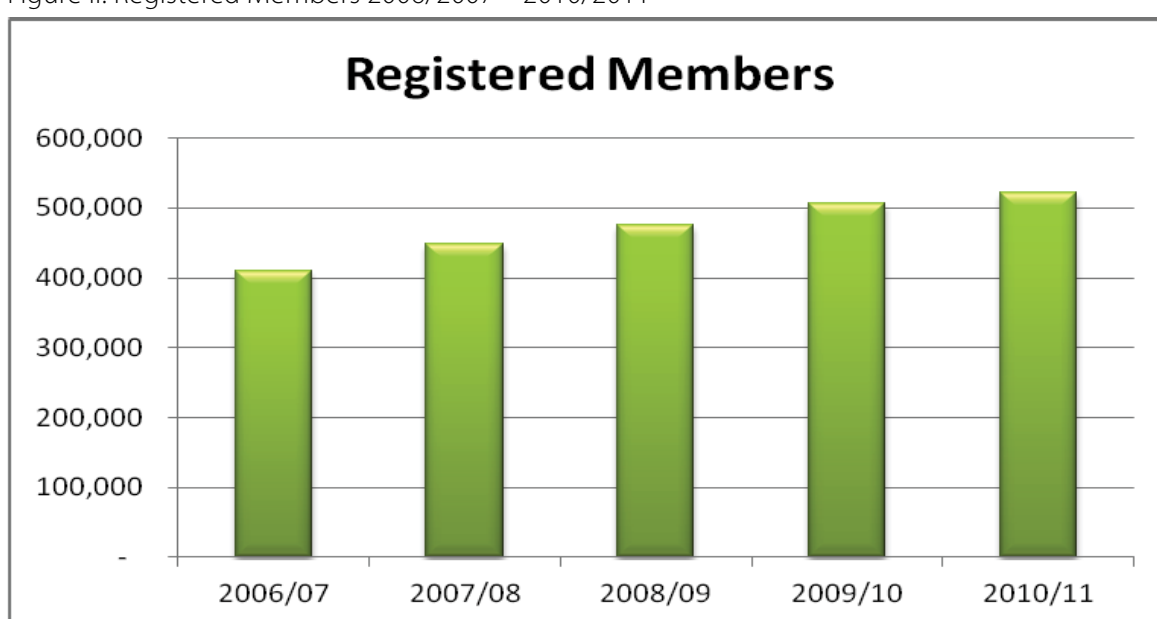
- 2.2 The main reasons for the continued growth in the membership size include the fact that NSSF has continued to be the most preferred social security scheme in Tanzania and therefore it continued to be the first choice to people seeking social protection. This is further evidenced by the fact that a total of 91,474 members and 1,995 employers were registered as new members in the period under review. This reflects an increase in new registration by 3% and 14% for members and employers against registration of 89,255 and 1,755 in 2009/2010 respectively.

Figure I: Registered Employers 2006/2007 – 2010/2011



- 2.3 For the purpose of creating more awareness and a wider acceptability of the Scheme, the Fund will continue to provide education to the general public on the importance of social security and advantages of being a member of NSSF.

Figure II: Registered Members 2006/2007 – 2010/2011



3.0 Contribution Collections

3.1 Annual contribution collection continued to exhibit an upward trend. During the period under review, a total of Tshs. 356,512.0 million was collected. This is equivalent to an increase of 18.8% when the same is compared to Tshs. 300,089.0 million which was collected in 2009/2010.

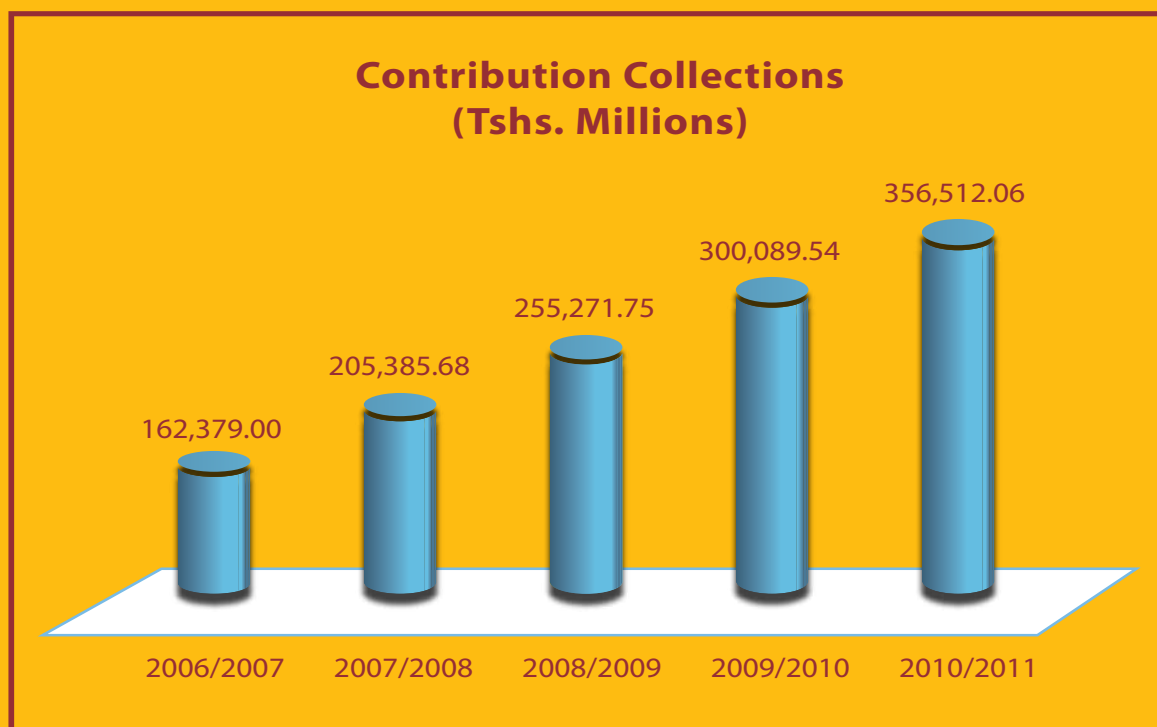
Table 2: Contribution Collection Trend 2006/07 – 2010/11

Year	2006/07	2007/08	2008/09	2009/10	2010/11
A m o u n t Collected (Tshs. Million)	162,379.00	205,385.68	255,271.75	300,089.54	356,512.06

3.2 While the surge in membership size is the predominant factor in the increase of contribution collection, other factors worth noting include the increased compliance resulting from increased enforcement efforts by the Fund which resulted into registered employers to comply with NSSF Act especially on accurate deduction of contributions on the basis of gross monthly earnings and timely submission of contributions; and the fact that wage rates in some social economic sectors were increased during the period.

3.3 To ensure the above increasing trend is not reversed, the Fund will further increase further its efforts to educate both registered employers and members on the need to comply with NSSF Act. The Fund will not hesitate to take appropriate actions to any employer who will go against the NSSF Act. Such measures include penalty charges to employers delaying contribution for more than 30 days from the due date and legal action against those observed to be culprits.

Figure III: Contribution Collections 2006/2007 – 2010/2011





4.0 Benefit Payments

4.1 The Fund continued to payment benefits to its members promptly. All seven benefits stipulated under NSSF Scheme and one under the defunct NPF Scheme were paid to members.

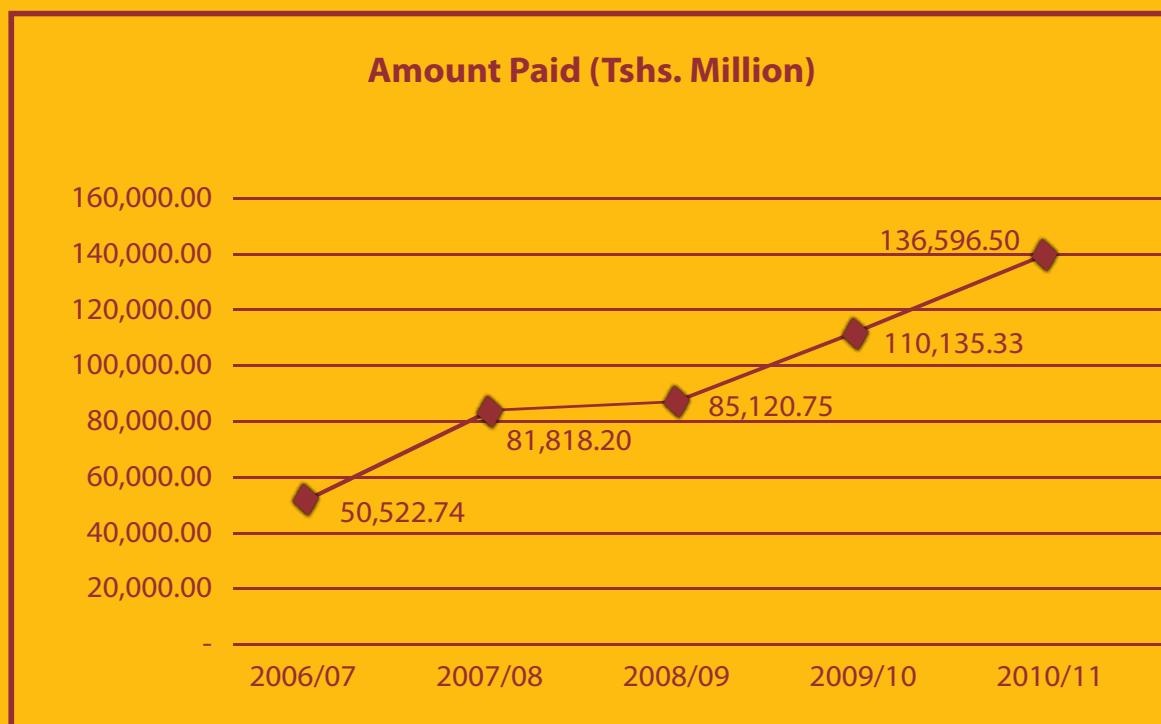
4.2 The total amount of benefits paid to members increased by 24% from Tshs. 110,135.33 million paid in 2009/10 to Tshs. 136,596.50 million in 2010/11.

Table 3: Benefit Payment Trend 2006/07 – 2010/11

Year	2006/07	2007/08	2008/09	2009/10	2010/11
Amount Paid (Tshs. Million)	50,522.74	81,818.20	85,120.75	110,135.33	136,596.50

4.3 The increased trend above indicates that the Fund is succeeding in its efforts to educate its members on benefit rights available to them and impart knowledge on the importance of retaining NSSF membership even when a member faces a short term loss of employment. In this respect, the amount paid under NSSF Scheme will continue to grow while amount paid as withdrawal will shrink.

Figure IV: Benefit Payments 2006/2007 – 2010/2011



5.0 Investments

Investment Portfolio

5.1 The Fund continued to adhere to investment guidelines stipulated in its Investment Policy which requires the Fund to invest not less than 75% of its total annual sources. All of the investible funds available during the period were invested in the traditional investment avenues namely Government Securities, Fixed Deposits, Corporate Bonds, Loans, Equities and Real Estates.

5.2 The total investment holding of the Fund as at 30th June 2011, was Tshs. 1,216,624.50 million. This holding level is above Tshs. 1,029,206.18 million which was report at the end of 2009/10 by 18.2%.

Table 4-A: NSSF Investment Base 2006/07 – 2010/11

Year	2006/07	2007/08	2008/09	2009/10	2010/11
Amount (Tshs. Million)	532,605.28	670,280.03	858,681.14	1,029,206.18	1,216,624.46

5.3 Most funds are held in Loans and Government Securities. Loans constitute 37.3% while Government securities account for 22.3%. Loans to finance various Government projects accounts for more than 80% of total loans issued by the Fund. Loans to corporate borrowers account for less than 20%. Government projects are perceived to have more and wider socio-economic direct and indirect effects. Such projects include construction of Collage for Humanities and Social Sciences (UDOM), residential houses for Government servants, Tanzania Police Forces and Tanzania People's Defence Forces. Moreover, loans to finance Government projects are less risky than to corporate borrowers as the former are guaranteed by the Government.

Table 4-B: NSSF Investment Portfolio 2006/07 – 2010/11

Investment Category	2006/07	2007/08	2008/09	2009/10	2010/11
Government Securities	159,832.45	164,969.44	158,838.50	185,316.80	271,171.35
Fixed Deposits	35,545.18	68,298.55	145,292.92	180,963.57	161,711.24
Corporate Bond	12,755.00	10,804.50	8,054.00	6,418.00	800.00
Loans	117,315.96	182,251.48	283,949.73	386,763.22	453,403.88
Equity	96,911.50	61,047.41	62,988.00	69,303.87	77,999.77
Real Estate	108,292.55	182,908.64	198,558.00	200,440.72	251,538.26
Total	530,652.64	670,280.02	857,681.15	1,029,206.18	1,216,624.50

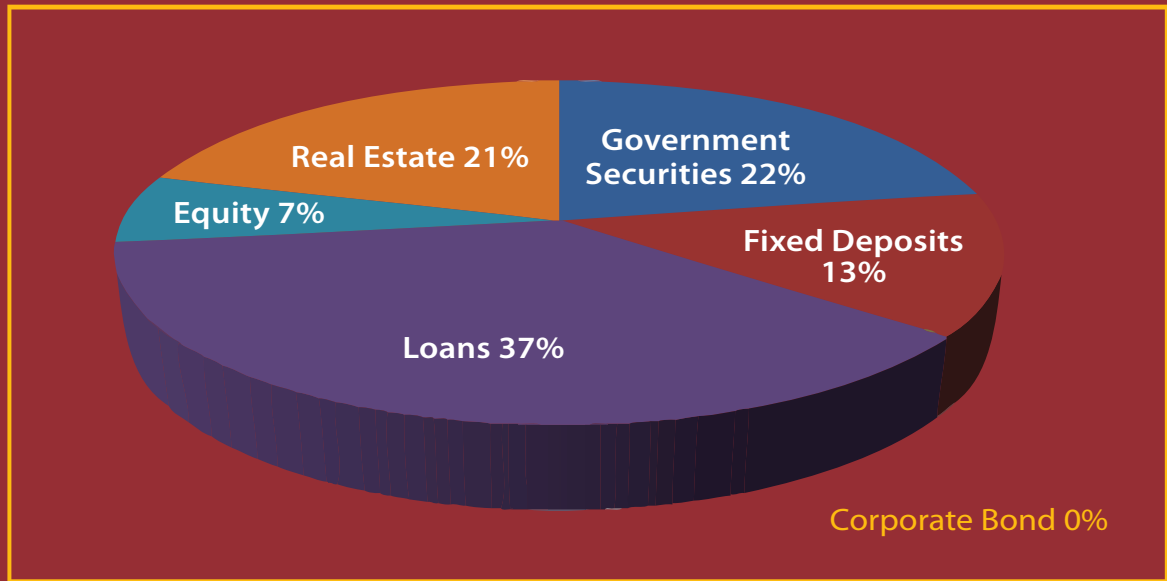
5.4 The rest of funds are held in Real Estates (20.7%), Fixed Deposits with various banks (13.3%), Equities in listed and non-listed companies (6.4%) and in Corporate Bonds (0.1%).

Figure V - A: Investment Holdings of the Fund 2006/2007 – 2010/2011





Figure V- B: Composition of NSSF Investment Portfolio as at 30th June 2011



5.5 The Fund plans to expand its investments to include investments in non-traditional investment avenues. These will include investment in infrastructure such as roads, bridges and power generations.

Projects

5.6 During the financial year 2010/11, 1 project was completed, 4 projects were at various stages of implementation while implementation of 4 new projects commenced.

5.7 The project that was completed during the period was NSSF Njombe building. Projects which were still under implementation included:-

- i) NSSF Kahama Commercial Building, Kahama;
- ii) NSSF Kigoma Commercial Complex, Kigoma;
- iii) Old Moshi Road Commercial Building – Arusha; and
- iv) Moshi Joint Venture Commercial Complex, Kilimanjaro

5.8 Implementation of the following projects commenced during the period:-

- i) Mtoni Kijichi Affordable Housing Scheme, Phase II – D’Salaam;
- ii) Kaloleni Commercial Building, Arusha;
- iii) Rita Towers, a JV Project between NSSF & RITA ; D’Salaam; and
- iv) Nelson Mandela African Institute of Science & Technology – Arusha.

5.9 Projects which were expected to commence are:-

- i) Power generation: 150 MW at Ubungo area;
- ii) Construction of Kigamboni Bridge;
- iii) Geza Satellite Town, JV with Amsons Agriculture (T) Ltd;
- iv) Development of Apollo Hospital in Dar es Salaam; and
- v) Morogoro Office Building - Morogoro.

6.0 Investment Income

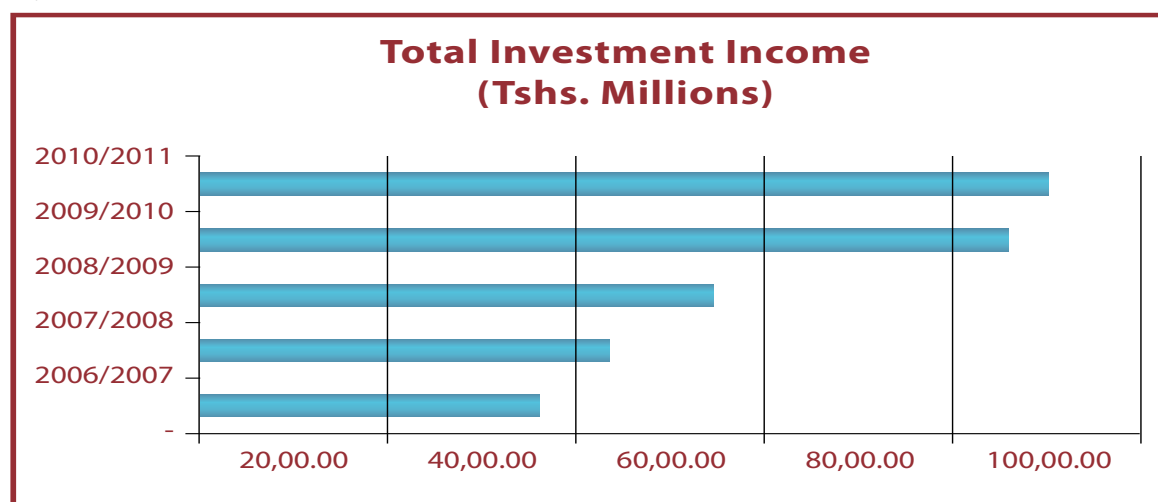
6.1 As indicated above, the Fund holds investments in Government Securities, Fixed Deposits, Corporate Bonds, Loans, Real Estates and Equity. During the period under review, Tshs. 90,509.38 million was collected as income from Fund's investments. This amount is higher by 4.7% against Tshs. 86,453.76 million collected in the previous year.

Table 5: NSSF's Investment Income Collection Trend 2006/07 – 2010/11

Investment Category	2006/07	2007/08	2008/09	2009/10	2010/11
Government Securities	12,700.90	17,162.65	17,100.14	22,107.10	25,889.15
Fixed Deposits	3,020.10	4,941.03	9,477.01	18,379.58	15,297.08
Corporate Bond	1,659.23	1,587.32	1,329.16	1,409.66	15,297.08
Loans	9,928.40	10,335.75	12,609.33	31,226.14	454.18
Equity	5,238.52	4,897.59	5,090.32	3,887.60	27,651.99
Real Estate	3,959.60	4,871.15	9,117.65	9,443.68	11,636.35
Total	36,506.75	43,795.49	54,723.61	86,453.76	90,509.38

6.2 The Fund generated more income from loans. Amount of income collected from this category constituted 30.6% of total income generated during the period. On other side, income from Government securities was the second largest amount which accounted for 28.6%, followed by income generated from Fixed Deposits (16.9%), income from Real Estates (12.9%) and income from Equities (10.6%).

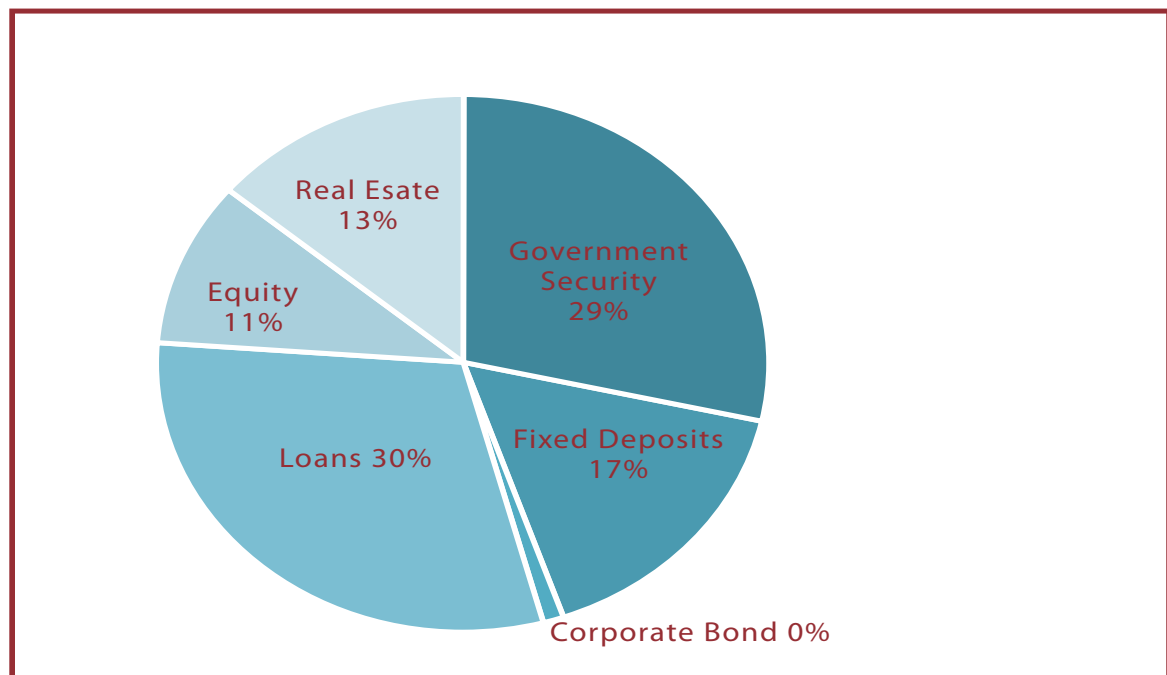
Figure VI: Investment Income Collection 2006/2007 – 2010/2011



6.3 Least income collection was from corporate bonds which accounted for only 0.5%. The reason for collecting less from corporate bonds is due to the fact that most of the corporate bonds previously held by the Fund have matured and no new issue has been floated in the market recently. As a result, holding in this investment avenue has shrunk.



Figure VII: Investment Income Composition for Year 2010/2011



7.0 Human Resources and Labour Relations

Workforce

7.1 During the period under review, the Fund operated with 941 employees in total compared to a workforce of 877 in the previous year, representing an increase of 7.3%. The current employees were composed of 426 female employees and 515 male employees.

Labour Relations

7.2 Management maintained harmonious relationship with all cadres of staff. This was possible through good leadership traits; involvement of employees in decision making, monthly departmental meetings, use of Worker Councils which involves representative of employees from each office, and constant provision of feedback on key issues discussed by Management and the Board.

Training

7.3 Being one of its Corporate Objectives of capacity building, the Fund continued to enhance the working capacity of its employees by providing sponsorship to pursue long and short courses both domestically and externally. The Fund also organised in-house training courses tailored for specific needs of the Fund.

7.4 During the period under review, the Fund sponsored 2 members of the Board to attend external course on leadership and 2 staff who attended a course on Management Development.

7.5 Similarly, 7 staff were sponsored to attend courses organised domestically while 963 staff were accorded opportunities to attend various in-house courses.

8.0 Public, Corporate and Public Relations

8.1 The Fund continued to maintain a good public image through good and mutual relationship with the general public, sister social security institutions on Mainland and in the isles, and to all other organizations operating within and outside the country.

- 8.2 Through this mutual relationship and cooperation, the Fund continued to be a reliable partner to all. In this respect, the Fund did not hesitate to offer consultative advises to all who sought for such assistance either directly or indirectly through participation in discussion groups, meeting and conferences.
- 8.3 The Fund will continue to open its doors to the general public for any kind of constructive relations that will result into the Fund moving forward more efficiently and that will result into significant contribution to the growth of the nation as a whole.

9.0 Stakeholders Forum

- 9.1 The Fund held its first ever Stakeholders Conference in February 2011 at the Arusha International Conference Centre (AICC) in Arusha. The main objective of this Conference is to bring together all stakeholders of the Fund including the Government, registered members, registered employers, workers' representatives, other social security institutions both domestically, regionally and internationally, to share views, ideas and opinions on the best way to improve performance of the Fund and push forward social security industry in general.
- 9.2 In general, the Conference attracted more than 500 participants. The meeting was opened by the Minister for Labour and Employment, Mrs Gaudentia Kabaka on behalf of the Prime Minister of the United Republic of Tanzania.
- 9.3 Several papers were presented and discussed during two days Conference. These included papers of the Operations of the Fund, Investment function of the Fund, Role of Social Security Regulatory Authority, Concepts and Reforms of Social Security, Coverage of the Informal Sector (case of NSSF Kenya) and Stress Management. The Fund also informed its stakeholders on its intension to invest in power generation so as to reduce the existing supply gap of 300 MW.
- 9.4 Resolutions which were made by the Conference include:-
- i) Issuance of Members' Statements through modern media technology;
 - ii) Prompt payment of members benefit preferably within 10 to 14 days;
 - iii) Investment in affordable houses scheme to members in various regions;
 - iv) Inclusion of social security concepts in education curricular;
 - v) Increase membership size through the informal sector; and
 - vi) Make the Stakeholders Conference an annual event.
- 9.5 The Fund took all the resolutions for implementation and a report on the status presented during the second Stakeholders Conference.

10.0 Regional and International Relations

- 10.1 The Fund maintained its membership status with regional and international social security bodies. The Fund is one of proud members of ECASSA² and ISSA³. It is also in good relationship with the international body dealing with labour matters, the ILO⁴.
- 10.2 Following good relationship with regional and other international social security and labour organisations, and in recognition of good work and leadership role played by the Fund in social security matters, during World Social Security Forum which took place in Cape Town, South Africa between 29th November and 4th December 2010, the Director General of the Fund, Dr. Ramadhani K. Dau, was elected a member of the Governing Bureau of ISSA. The tenure of this post is three years.
- 10.3 The Fund will keep on maintaining good relationship with other affiliated and non-affiliated organisations for the purpose of sharing experience and creating constructive friendship for the benefit of the Fund and the nation as a whole.

² Eastern and Central Africa Social Security Association

³ International Social Security Association

⁴ International Labour Organisation

11.0 Exhibitions and Trade Fairs

- 11.1 The Fund participated in the 35th Dar es Salaam International Trade Fair (DITF) and it continued to shine in the same way it shone in the previous year. The Fund once again emerged the first winner in the Trade and Service Category and an overall winner of the exhibition. Apart from being awarded with certificates, the Fund was awarded prestigious trophies for the wins.
- 11.2 The above wins are not for the Fund alone but a symbol of championship to all of its 521,629 members and all other stakeholders who in one way or another contributed very much on portraying the winning emerge that convinced judges and the general public that NSSF is one step ahead of others and that it is a true leader in all aspects.
- 11.3 The Fund will continue strengthening all of its functions to ensure best services second to none are provided to its members, stakeholders and the general public.

12.0 Sports

- 12.1 The Fund continued to sponsor the NSSF Media Cup that brings together staff in the media industry and a means to create awareness and acceptability of the NSSF scheme to the public.
- 12.2 During the period under review, a total of 19 football teams and 15 netball teams participated in the tournament. Jambo Leo was the winner on the football side while Habari Zanzibar won on netball side.
- 12.3 The Fund will continue to sponsor this event as it effectively creates harmony and friendship among the media staff and it promotes the image of the Fund.
- 12.4 On the other side, the Fund participated in the Easter Bonanza. The event bringing together the Fund and its sister social security institution of Zanzibar Social Security Fund (ZSSF). This time, the event was held in Zanzibar whereby NSSF won the netball cup while ZSSF won the football cup.

13.0 Achievements

- 13.1 The Fund managed to implement effectively the first year of its three year Corporate Plan. In this respect, the Fund was able to register more members, collect more contributions, collect more investment income and improve benefits payable to members. All these are in line with the Corporate Plan objectives.
- 13.2 The Fund was able to write yet another milestone in its history of successes by holding the first ever Stakeholders Conference which brought together not only local participants but also participants from beyond the national boundaries including ECASSA Council Members and Secretariat.

14.0 Challenges

- 14.1 Extension of coverage to the informal sector continued to be a big challenge. However, with increasing awareness among the people in the informal sector on the benefits vested in social security and introduction of sweeteners, i.e., supplementary benefits, the Fund expects to overcome the existing challenges.
- 14.2 Although the growth rate of payment on premature withdrawals was increasing at a decreasing rate, the amount paid by the Fund for these withdrawals still accounted for a significant portion of total benefit payments. The Fund will continue educating its members and the general public on the importance of retaining their social security memberships.

- 14.3 Safe and profitable investment avenues are still limited. The Fund will continue with its efforts to explore other investment avenues which were previously not traditional to the Fund. The additional risk to be taken will be mitigated by encouraging joint venture arrangements to implement such investment plans.
- 14.4 Unfair competition in registration of members. The Fund will continue to be a fair player despite the fact that some social security institutions are rough players. The strength of the Fund to convince new joint and existing members retain their membership will be on improving service delivery, improving benefits and expanding benefits range through introduction of supplementary benefits which meet the evolving needs of the members.

15.0 Concluding Remarks

- 15.1 The above explanations indicate that the Fund is performing in the right direction towards attaining targets set forth in its second Three Year Corporate Plan (2010/11 – 2012/13): membership, contributions and investment income are all increasing at anticipated paces.
- 15.2 It is our commitment to ensure this performance is improved even further during the second year of implementing this Corporate Plan. We therefore, humbly, request all Stakeholders to support the efforts of the Fund. One way of doing this is for everyone to make the Fund her/his number one choice in everything.

We Build Your Current and Future Life.

Dr. Ramadhani K. Dau
Director General
National Social Security Fund



Management



Dr. R. K. Dau
Director General



C. Magori
Director, Operations



L. Mrosso
Director, Finance



Y. Kidula
*Director, Planning
Investments & Projects*



A. Masimango
*Director, Information
Technology*



C. Matessa
*Director, Human Resources
& Admin.*



P. Mtunda
*Chief Manager,
Internal Audit*



C. Komba
Chief, Legal Secretary



Ally O. Shuma
Chief, Security Manager



S. W. Shemliwa
*Chief, Architerial
& Risk Manager*



E. Chiume
*Chief, Public Relations
& Customer Service*



A. Abdallah
Ag. Procurement, Manager



D. Senkoro
Manager, Special Unit



S. Nguma
Chief Manager, Temeke



D. Masika
Chief Manager, Kinondoni



Y. Kigembe
Chief Manager, Ilala



We Build Your Future

Regional Chief Managers



S. Nguma
Chief Manager Temeke



F. H. Merevi
Chief Manager Morogoro



M. Mwakatobe
Chief Manager Kilimanjaro



D. Masika
Chief Manager Kinondoni



E Ngabo
Chief Manager Mwanza



J. Ochieng
Chief Manager Arusha



Y. Kigembe
Chief Manager Ilala



Regional Managers



A. Banigwa
Regional Manager Tabora



L. Tairo
Regional Manager Lindi



M. Ahmed
Regional Manager Dodoma



B. Mmuni
Regional Manager Iringa



Y. Mhamali
Regional Manager Coast



M. Mwaipeta
Regional Manager Singida



D. Hawangwa
Regional Manager Rukwa



O. S. Mzia
Regional Manager Kahama



F. Maduga
Regional Manager Tanga



S. Mvungi
Regional Manager Mara



S. Milanzi
Regional Manager Mtwara



S. Kitomari
Regional Manager Manyara



N. Kirondera
Regional Manager Geita



T. Mtulira
Regional Manager Ruvuma



M. Magheke
Regional Manager Kagera

N. Nsasu
Regional Manager Shinyanga



J. Mashinga
Regional Manager Kigoma



H. Fakkii
Regional Manager Mbeya



Head Office Managers



Mr. A. Mseli
*Planning & Investments
Manager*



Mr. M. Shabani
*Computer Operation
Manager*



Mr. F. Masaoe
*Systems & Applications
Manager*



Mr. D. Kalanje
Chief Accountant



Mr. D. Senkoro
Manager, Special Unit



Mr. D. Mbwete
Human Resource Manager



Mr. j. Msemo
Project Manager



Mr. B. Kinunda
*Projects & Estates
Manager*



Mr. A. Faraji
Treasury Manager



Mr. A. Nchula
*Benefits Administration
Manager*



Mr. S. W. Shemliwa
*Chief, Architectural & Risk
Manager*



A. Abdallah
Ag. Procurement, Manager



Mr. S. Mwenda
*Administration & Supplies
Manager*



Dr. A. Mtulia
Social Health Insurance Benefit





FINANCIAL STATEMENTS OF THE FUND FOR THE YEAR 2010/2011

1.0 INTRODUCTION

The Trustees of the National Social Security Fund are pleased to present their report and the Fund's audited financial statements for the year ended 30th June, 2011. These Financial Statements have been prepared in compliance with International Financial Reporting Standards (IFRSs) and National Social Security Fund Act No. 28 of 1997. The report of the Board of Trustees has been prepared in accordance with Tanzania Financial Reporting Standard (TFRS) NO.1 Directors' Report.

2.0 FUND'S VISION

The Fund envisions to become a leading provider of social security services in Africa.

3.0 FUND'S MISSION

The Fund is committed to promptly meet members' evolving social security needs using competent, innovative, result oriented and dynamic human resources and state of the art technology.

4.0 BACKGROUND OF THE FUND

4.1 Establishment

The National Social Security Fund (NSSF) was established by the Act of Parliament No.28 of 1997 to replace the defunct National Provident Fund (NPF). The National Social Security Fund (NSSF) is a compulsory scheme providing a wider range of benefits which are based on internationally accepted standards.

4.2 Members of the Fund

The Fund covers all employees in the private sector, non pensionable government employees, self-employed or any other employed person not covered by any other scheme and any other category as declared by the Minister of Labour and Employment.

4.3 Main activities

The main activities of the Fund include registration of employers and employees, collection of contributions from registered employers, investment of the funds collected in viable ventures, payment of benefits to qualifying members and advising Government on matters related to social security.

4.4 Fund's financing

The scheme is financed through contributions at the rate of 20% of employees' Salary. The employer is required to deduct from employees' gross salary the amount of contribution at the rate of 10% of the employees' salary. The employer adds the remaining balance to make the required contribution rate of 20%.

4.5 Fund's investments

The National Social Security Fund is a fully funded scheme running under defined benefit principles. Surplus of funds collected after paying members' benefits are invested for the purpose of financing benefit payments and operations costs.

4.6 Members' benefits

The benefits offered include, retirement pension, invalidity pension, survivors' pension, funeral grant, maternity benefit, employment injury benefit and health insurance.

5.0 CORPORATE GOVERNANCE

The Board of Trustees consists of twelve (12) Trustees. Apart from the Director General, no other Trustee holds executive positions in the Fund. The Board takes overall responsibility for the Fund, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board delegates the day to day management of the Fund's operation to Director General. The Fund is committed to the principles of effective corporate governance. The Trustees, also recognize the importance of integrity, transparency and accountability.

6.0 TRUSTEES

The Trustees of National Social Security Fund appointed/reappointed on 01st January, 2010 and who approved these accounts are:

	NAME	STATUS	Nationality	No. of meetings attended
1	Mr. Abubakar S. Rajab	Chairperson	Tanzanian	12
2	Mrs Hildegard A. Mziray	Trustee/ViceChairperson	Tanzanian	12
3	Dr. Mussa J. Assad	Trustee	Tanzanian	12
4	Mr. Omary A. Juma	Trustee	Tanzanian	12
5	Mr. Nicholas T. Kingazi	Trustee	Tanzanian	12
6	Mr. Boniface Y. Nkakatisi	Trustee	Tanzanian	12
7	Mr Cornelius A. Kariwa	Trustee	Tanzanian	12
8	Mr. Daud N.Kaali	Trustee	Tanzanian	12
9	Mr. Abdallah M. Kibunda	Trustee	Tanzanian	11
10	*Mr Hashim A.H.Z Saggaf	Trustee	Tanzanian	5
11	Ms. Amina O. Muhaji	Trustee	Tanzanian	11
12	**Mr. Mudhihir M. Mudhihir	Trustee	Tanzanian	7
13	Dr. Ramadhani K. Dau	Trustee/Secretary	Tanzanian	12

*Retired on November 2010

**Appointed from January 2011.

During the year the Board of Trustees held twelve (12) meetings. The Board made various decisions, including deliberating and approving the Fund audited financial statements for 2009/2010 financial year, Annual plan and budget for the financial year 2011/2012, joint venture with National Institute of Productivity to develop Plot No. 776/39 along Ohio Street, the Annual Plan and budget performance for the financial year 2009/2010, establishment of new regional offices, establishment of Dar Es Salaam benefit processing centre, Staff Retention Strategy, chart of activities for Internal Audit department and issued directives on various internal audit matters.



6.1 TRUSTEES' QUALIFICATIONS, EXPERIENCE AND AGE

	NAME	STATUS	AGE (YEARS)	QUALIFICATIONS AND EXPERIENCE
1	Mr. Abubakar S. Rajab	Chairperson	65	Ex – Permanent Secretary in various Ministries. Holds BSc and MA (Education)
2	Mrs Hildegard A. Mziray	Trustee/Vice Chairperson	61	Ex– Finance Manager with TOTAL (T) LTD and currently Vice Chairperson Association of Tanzania Employers (ATE). Holds BA and FCCA.
3	Dr. Mussa J. Assad	Trustee	51	Currently Senior Lecturer University of Dar es Salaam and Chairman of National Board of Accountants and Auditors (NBAA). Holds BCom, MA (Financial Control) and a PhD in Accounting.
4	Mr. Omary A. Juma	Trustee	59	Currently Zonal Manager Tanzania Fertilizer Company Limited and President Trade Unions Confederation of Tanzania (TUCTA). Holds Diploma in Chemical Fertilizer Production Technology.
5	Mr. Nicholas T. Kingazi	Trustee	63	Ex – Industrial Relation Manager CRDB Bank. Holds BA, MA (Public Administration) and Post Graduate Diploma in Law (Mediation and Arbitrations).
6	Mr. Boniface Y. Nkakatisi	Trustee	73	Currently Secretary General of Trade Unions Confederation of Tanzania (TUCTA). Holds Diploma in Adult Education and Diploma in Unionism
7	Mr Cornelius A. Kariwa	Trustee	52	Currently Chairman of Association of Tanzania Employers (ATE) and High Court Advocate. Holds LLB.
8	Mr. Daud N. Kaali	Trustee	48	Currently Assistant Labour Commissioner for Social Security with the Ministry of Labour. Holds BA and MSc (Economics)
9	Mr. Abdallah M. Kibunda	Trustee	62	Currently Secretary General Dock Worker's Union of Tanzania (DOWUTA) Holds Diploma in Social Science and Diploma in Business English.
10	Ms. Amina O. Muhaji	Trustee	40	Currently Manager Management Assurance with CRDB Bank. Holds Advanced Diploma in Finance and MSc (Finance).
11	Mr. Mudhihir M. Mudhihir	Trustee	62	Ex – Deputy Minister and Member of Parliament. Holds LLB and LLM.
12	Dr. Ramadhani K. Dau	Trustee / Secretary	54	Former Lecturer University of Dar es Salaam, former Director of Marketing Tanzania Port Authority (TPA) and currently Director General NSSF. Holds BCom, MBA and a PhD in Business Administration.

7.0 BOARD OF TRUSTEES' COMMITTEES

The Board has three committees. The committees and its members are:-

7.1 The Finance and Investment Committee

S/N	NAME	STATUS	No. of meetings attended
1	Mr. Abubakar S. Rajab	Chairperson	4
2	Dr. Mussa J. Assad	Member	4
3	*Mr Hashim A.H.Z Saggaf	Member	3
4	**Mr. Mudhihir M. Mudhihir	Member	1
5	Mr Cornelius A. Kariwa	Member	4
6	Mrs. Hildegard A. Mziray	Member	4
7	Mr. Ayuob O. Juma	Member	4
8	Mr. Abdallah M. Kibunda	Member	3
9	Dr. Ramadhani K. Dau	Secretary	4

*Retired on November 2010

**Appointed from January 2011

During the year the committee held four (4) meetings and made various recommendations to the Board including but not limited to approve the plan and budget for the financial year 2011/2012, the plan and budget performance for the financial year 2009/2010, and the proposed joint venture with National Institute of Productivity to develop Plot No. 776/39 along Ohio Street.

7.2 The Audit Committee

S/N	NAME	STATUS	No. of meetings attended
1	Mr. Abubakar S. Rajab	Chairperson	6
2	Ms. Amina O. Muhaji	Member	6
3	Mr. Daud N. Kaali	Member	6
4	Mrs. Hildegard A. Mziray	Member	6
5	Mr. Nicholas T. Kingazi	Member	6
6	Mr. Boniface Y. Nkakatisi	Member	6
7	Mr. Ayuob O. Juma	Member	6
8	Mr. Abubakar S. Rajabu	Member	6
9	Dr. Ramadhani K. Dau	Secretary	6

During the year the committee held six (6) meetings and made various recommendations to the Board including but not limited to approve the audited financial statements for 2009/2010 financial year, the Audit plan and approved audit fees for 2009/2010 Accounts, internal audit plan and budget, the chart of activities and implementation of the Board directives on internal audit matters.



7.3 The Staff Committee

S/N	NAME	STATUS	No. of meetings attended
1	Mr. Boniface Y. Nkakatisi	Chairperson	5
2	**Mr. Mudhihir M. Mudhihir	Member	2
3	Ms. Amina O. Muhaji	Member	5
4	Mr. Cornelius K. Kariwa	Member	5
5	Mr. Nicholas T. Kingazi	Member	4
6	Mr. Abdallah M. Kibunda	Member	3
7	*Mr Hashin A.H.Z Saggaf	Member	3
8	Mr. Abubakar S. Rajabu	Member	5
9	Dr. Ramadhani K. Dau	Secretary	5

* Retired on November 2010

** Appointed from January 2011

During the year the committee held five (5) meetings and made various recommendations to the Board including but not limited to approve proposal for establishment of new regional offices, the proposal for establishment of Dar es Salaam benefit processing centre and proposal for Staff Retention Strategy.

8.0 MANAGEMENT TEAM

The day to day Management of the Fund is entrusted to the Director General who is assisted by Directors and Chief Managers. Management Team of the Fund in the financial year under review are:-

S/N	NAME	POSITION
1.	Dr. Ramadhani K. Dau	Director General
2.	Mr. Ludovick S. Mrosso	Director of Finance
3.	Mr. Crescentius J. Magori	Director of Operations
4.	Mr. Yacoub M. Kidula	Director of Planning, Investments and Projects
5.	Ms. Chiku A. Matessa	Director of Human Resources and Administration
6.	Mr. Said A. Masimango	Director of Information Technology
7.	Mr. Chedrick J. Komba	Chief, Legal Secretary
8.	Mrs. Eunice N. Chiume	Chief, Public Relations and Customer Services
9.	Mr. Pauline G. Mtunda	Chief, Internal Audit
10.	Mr. Sad W. Shemliwa	Chief, Acturial and Risk Manager
11.	Mr. Ally O. Shuma	Chief, Security Manager
12.	Ms. Amina M. Abdallah	Ag. Manager, Procurement Unit
13.	Mr. Davis W. Senkoro	Manager Special Unit

9.0 RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Fund. It is the task of management to ensure that adequate internal financial and operational control system are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:-

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

The efficiency of any internal control system is dependent on strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Fund's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 30th June, 2011 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through Audit Committee.

10. PERFORMANCE FOR THE YEAR:

- 10.1 In accordance with IAS 26 on Accounting and Reporting of Retirement Benefit Plans, Changes in net assets available for benefits during the year are as follows:

Income	2010/2011 TZS (Millions)	2009/2010 TZS (Millions)
Interest from investments	68,844.31	73,920.00
Rent income	11,593.04	9,378.71
Other income	4,300.24	6,228.73
Discount on bonds	4,568.87	4,505.10
Increase/(Decrease) in investments at fair values	5,362.01	(2,019.03)
Total investment income	94,668.47	92,013.51
Contribution from employers	356,512.06	300,089.54
Total Income	451,180.53	392,103.05



Expenditure	2010/2011 TZS (Millions)	2009/2010 TZS (Millions)
Direct benefit payments to members	136,596.50	110,135.33
Administration expenses	57,018.04	41,421.31
Long Term Staff Benefit	12,137.45	1,744.80
Depreciation and Amortization	2,403.35	3,420.31
Bad/doubtful debts	22.58	13.10
Provision for impairment of receivables	5,332.99	7,312.51
Tax Expense	13,456.48	19,827.36
Other charges	201.38	241.19
Total Expenditure	227,168.77	184,115.91
Net Increase in Assets	224,011.76	207,987.14

10.2 The size of the Fund as at 30th June, 2011 was as follows:-

	2010/2011 TZS (Millions)	2009/2010 TZS (Millions)
Investment at market values	476,597.27	411,342.58
Investment at fair values	740,027.20	617,863.60
Total Investments	1,216,624.47	1,029,206.18
Other Assets	229,656.30	168,994.81
Total assets	1,446,280.77	1,198,200.99
Liabilities	93,089.09	69,021.07
Net assets available for benefits	1,353,191.68	1,129,179.92

11.0 SOLVENCY

The Board of Trustees confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Trustees has reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future.

Actuarial Valuation of the Fund as of 30/06/2009 was carried by ILO Actuarial expert Mr. Georges Langi's. According to the Actuary Report, the Fund will be in financial solvency over the projection period of 50 years.

12.0 ADMINISTRATIVE EFFICIENCY

All statutory payments such as PAYE and other statutory deductions effected from staff salaries were made promptly to the relevant authorities. Outstanding balances as at 30.06.2011 are in respect of June deductions which were paid early July, 2011. All properties of the Fund are adequately insured.

The ratio of administrative expenditure to total income is 12.64% .This is within the requirement of Section 61(4) of NSSF Act which sets the limit at 15%. The existing management systems are invariably complied with. This has resulted to smooth operations of the Fund. The Fund had a total manpower of 994 employees as at 30th June 2011.

13.0 LIQUIDITY

The Fund is liquid as the current assets adequately cover current liabilities.

14.0 EMPLOYEES WELFARE

14.1 Relationship between Management and Employees

The relationship between employees and management continued to be good. Management continued to honour the voluntary agreement entered with the workers union. The Workers/ Management Negotiation Council worked smoothly during the accounting period. The workers through Master Workers Council were fully involved in the planning and evaluation of the Fund's targets.

14.2 Equal Opportunity Employer

The Fund is an equal opportunity employer and gives disabled persons opportunities for those vacancies that they are able to fill.

14.3 Training

The Fund continued to sponsor staff to long and short term training. The Fund also conducted in house tailored seminars and on the job training. The Fund provided education loans to the members of staff for long term courses.

14.4 Medical Facilities

The Fund continued to provide free medical care to all staff, spouses and up to four children not exceeding eighteen years of age or twenty one years if under full time education.

14.5 Financial assistance to staff

Loans, salary advances and other financial assistance are available to all confirmed staff depending on the assessment by management in relation to governing policies. Furthermore management provide short terms loans as and when applied for to NSSF employees SACCOS for promoting welfare of its members who are NSSF employees.

14.6 Employees Benefit Plans

The Fund pays contributions to Parastatal Pension Fund (PPF) or National Social Security Fund (NSSF) on mandatory basis which qualifies to be defined benefits plans.

14.7 Health and safety

A safe working environment is ensured for all employees. The Fund has its own Health and safety policy at workplace.

15.0 RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in Note 38 to these Financial Statements.

16.0 POLITICAL AND CHARITABLE DONATIONS

The Fund did not make any political donation during the year. Charitable donation during the year amounted to TZS. 379.92 million. Donations were in following areas;- Education TZS 98.95 million, Health TZS 60.14 million, Sports& Culture TZS 34.14 million, Women and Children TZS 7.00 million , community development TZS 82.53 million and other social avenues TZS 97.17 million.



17.0 BOARD MEETINGS

The Board of Trustees held all ordinary and special meetings in line with the second schedule of the National Social Security Act No.28 of 1997.

18.0 FUTURE DEVELOPMENTS

This was the first year of the Fund's three years' corporate plan (2010/2011-2012/2013). The major focus of the Fund will continue to be on increasing membership size, increase contribution collection, increase investment income, improve members' benefits, improve customer services, and undertake institutional capacity building.

19.0 CORPORATE SOCIAL RESPONSIBILITY

19.1 Environmental Protections

The Fund ensures that projects undertaken are environmental friendly and corporate loans granted for industrial and other business activities meets the environmental impact assessments requirements as specified by National Environmental Management Council (NEMC).

19.2 Anti Corruption

Transparency is an important aspect of good corporate governance. Fund's operations are carried out with transparency in all aspects. Procurements are governed by Public Procurement Act of 2004. The Fund also ensures that its operations abide to other laws of the country.

19.3 Fight against HIV/AIDS

The Fund has been joining hands in the fight against HIV/AIDS. The Fund provides financial support in form of donations to some organizations in the fight against the epidemic. Education about the disease is given to Fund's staff in in-house training conducted by the Fund.

The Fund has its own HIV/AIDS policy and is a member of AIDS Business Coalition Tanzania, an Association of Institutions in the fight against AIDS.

20.0 INDEPENDENT AUDITORS

The Controller and Auditor General is the statutory auditor of National Social Security Fund by virtue of the Article 143 of the constitution of the United Republic of Tanzania (URT). However, the audit was jointly carried by CAG and INNOVEX Auditors in accordance with section 37(5) of the Public Finance Act, 2001, and letter reference No. CE/249/280/01 dated 16th June, 2011.

BY THE ORDER OF THE BOARD:

CHAIRMAN

TRUSTEE

DATE: 27/9/2010

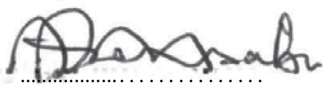
STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Trustees are required under the NSSF Act No. 28 of 1997 to prepare financial statements of the Fund that give a true and fair view of the state of affairs of the Fund for that period.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgment and estimates have been made in the preparation of the financial statements for the year ended 30th June, 2011. The Trustees also confirm that the International Financial Reporting Standards have been followed and that the financial statements have been prepared on the going concern basis.

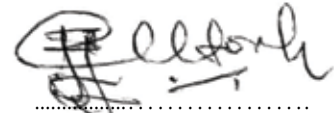
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and which enable them to ensure that the financial statements comply with the NSSF Act No. 28 of 1997. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

BY THE ORDER OF THE BOARD:



CHAIRMAN

DATE: 27/9/2010



TRUSTEE





To: The Board Chairperson,
National Social Security Fund
Benjamin William Mkapa Towers
Jamhuri/Azikiwe Street Junction
P.O Box 1322
DAR-ES-SALAAM

INDEPENDENT AUDITORS REPORT TO THE BOARD OF TRUSTEES OF NATIONAL SOCIAL SECURITY FUND

We have audited the accompanying financial statements of National Social Security Fund which comprise the Statement of Net Assets Available for Benefits as at 30 June 2011, Statement of Changes in Net Assets, and Statement of Cash Flows for the year then ended, and Summary of Significant Accounting Policies and other explanatory notes set out from pages 20 to 49 of this report.

Board of Trustees' responsibility for the financial statements

The Board of Trustees of National Social Security Fund is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibilities of the Controller and Auditor General

My responsibility as an auditor is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with International Standards on Auditing (ISA), International Standards of Supreme Audit Institutions (ISSAIs) and such other audit procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the National Social Security Fund's preparation and fair presentation of the financial statements 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 National Social Security Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In addition, Sect. 10 (2) of the PAA No. 11 of 2008 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorized.

Further, Sect 44(2) of the Public Procurement Act No.21 of 2004 and Reg.No.31 of the Public Procurement (Goods, Works, Non-consultant Services and Disposal of Public Assets by Tender) Regulations of 2005 require me to state in my annual audit report whether or not the auditee has complied with the provisions of the Law and its Regulations.

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

Qualified opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Social Security Fund as at 30 June 2011 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the National Social Security Fund Act 1997.

Report on other legal and regulatory requirements

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions and processes I reviewed as part of this audit, I state that, except for the procurement weaknesses listed below, National Social Security Fund has generally complied with the Public Procurement Act, 2004 and its related Regulations of 2005.

- Procurement of Information Kiosks amounting to TZS 251.62 million was done outside the annual procurement plan. There was no reasonable ground why this was not foreseen.
- Tender documents for procurements amounting to TZS 1,526 million were not approved by the Tender Board before being issued to bidders.
- There was no evidence that fifteen (15) procurements amounting to TZS 664 million were done in writing as tender invitation documents could not be availed to the auditors for review.
- Procurements amounting to TZS 389 million were not appropriately approved contrary to the limits provided under Section (b) of the First Schedule of G.N. 97 which limits the AO to TZS 7.5 million and TZS 3 million for Heads of Departments.
- Procurements amounting to TZS 356 million were not within the limits specified under third schedule of the G. N. No. 97 and No. 98.

Ludovick S.L. Utouh
CONTROLLER AND AUDITOR GENERAL
NATIONAL AUDIT OFFICE
DAR ES SALAAM

February, 2012



	Note	2010/2011 TZS' 000	2009/2010 TZS'000
ASSETS			
Investment at quoted market value			
Government securities	7	271,171,358	185,316,800
Corporate debt securities	8	162,511,235	187,381,570
Corporate equity securities	9	42,914,674	38,644,210
		476,597,267	411,342,580
Investment at estimated fair values			
Loans	10	453,403,879	386,763,217
Corporate equity securities	11	35,085,059	30,659,663
Investments in properties	12	251,538,259	200,440,717
		740,027,197	617,863,597
Total investments		1,216,624,464	1,029,206,177
Other assets			
Cash and bank balances	13	29,425,111	13,016,427
Contributions receivables	14	37,448,856	31,434,945
Other receivables	15	63,212,018	43,264,473
Tax receivable	16	9,285,435	11,152,978
Accrued interest	17	52,796,351	36,609,192
Inventory	18	9,624,056	6,816,787
Intangible assets	19	669,697	681,194
Property, plant and equipment	20	25,924,554	25,930,144
		228,386,078	168,906,140
Non – current assets held for sale	21	1,270,220	88,667
Total asset		1,446,280,762	1,198,200,984
LIABILITIES			
Accounts payable	22	11,993,298	10,174,160
Funds for TTCL pensioners	23	9,146,758	8,585,978
Provision for long-term staff benefits	24	39,187,015	27,785,172
Differed tax	25	32,762,002	22,475,756
Total liabilities		93,089,073	69,021,066
Net assets available		1,353,191,689	1,129,179,918

The notes on pages 23 to 49 form an integral part of these financial statements. Financial statements on pages 20 to 22 were approved by the board of trustees and were signed on its behalf by:

Board Chairman


Date: 27/9/2012

Trustee

Date: 27/9/2012

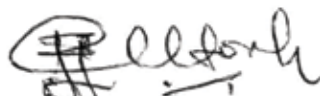
	Note	2010/2011 TZS' 000	2009/2010 TZS'000
Income			
Income from investments	26	68,844,312	73,919,996
Rent income		11,593,037	9,378,710
Other income	27	4,300,237	6,228,726
Discount on bonds		4,568,873	4,505,102
Increase/(decrease) in investments at fair values	28	5,362,014	(1,580,595)
Total investment income		94,668,473	92,451,939
Contribution from employers	29	356,512,064	300,089,544
Total income		451,180,537	392,541,483
Deduction			
Direct benefit payments	30	136,596,499	110,135,332
Administrative expenses	31	57,018,042	41,421,312
Bad/doubtful debts	32	2,059,129	8,838,114
Provision for impairment of receivables	33	3,296,437	(1,512,505)
Other charges	34	201,381	241,187
Long Term staff benefit	24	12,137,448	1,744,798
Depreciation and amortization	19 & 20	2,403,350	3,420,309
Revaluation loss	20	-	438,438
Total deductions		213,712,286	164,726,985
Net increase in assets before tax		237,468,251	227,814,498
Tax expenses	35	(13,456,481)	(19,827,364)
Net increase in assets after tax		224,011,770	207,987,134
Net assets available for benefits 30/06/10		1,129,179,918	921,192,784
Net assets available for benefits 30/06/11		1,353,191,688	1,129,179,918

The notes on pages 23 to 48 form an integral part of these financial statements. Financial statements on pages 20 to 22 were approved by the board of trustees and were signed on its behalf by:



Board Chairman

Date: 27/9.2012



Trustee

Date: 27/9.2012



	Note	2010/2011 TZS' 000	2009/2010 TZS'000
Operating activities			
Interest income received on investments		38,514,524	31,393,250
Interest income received on loans		8,383,703	10,964,328
Dividend income received		3,642,693	3,334,785
Rent income received		13,852,968	8,045,170
Commission income received on agency		44,799	122,745
Miscellaneous receipts		169,981	599,705
Administrative expenditure		(58,884,838)	(42,649,372)
Staff loans		(6,517,741)	(3,526,085)
Commission & fees expenses		(307,048)	(137,417)
Taxes		(14,466,771)	(20,380,701)
Net cash (out)/inflows from operating activities		(15,567,730)	(12,233,592)
Investing activities.			
Cash paid on investments		(116,132,204)	(132,978,012)
Redeemed investments		80,361,839	57,135,394
Payments to the projects		(53,802,709)	(14,644,379)
Loans disbursed		(78,014,240)	(111,495,738)
Loans repayment received		12,515,597	11,380,212
Purchase of property, plant and equipments	20	(2,409,956)	(1,949,161)
Proceeds from disposal of property and equipments		-	1,138,600
Advance received – Disposal of buildings/plots		239,200	
Net cash flows from investing activities		(157,242,475)	(191,413,084)
Financing activities			
Members contributions		348,504,636	295,787,134
Benefits payments		(137,695,808)	(111,651,154)
TTCL Pensioners Fund		270,173	-
Receipts on reserve accounts		1,253,847	759,475
Net cash flows from financing activities		212,332,848	184,895,455
Increase/(decrease) of cash and cash equivalents		39,522,645	(18,751,221)
Cash and cash equivalent at July 2010		13,016,427	31,767,649
Cash and cash equivalent at June 2011	36	52,539,072	13,016,427

The notes on pages 23 to 49 form an integral part of these financial statements. Financial statements on pages 20 to 22 were approved by the board of trustees and were signed on its behalf by:

Board Chairman

Date: 27/9/2012

Trustee

Date: 27/9/2012

1. GENERAL INFORMATION

The National Social Security Fund (NSSF) was established by the Act of Parliament No.28 of 1997 to replace the defunct National Provident Fund (NPF). The National Social Security Fund (NSSF) is a compulsory scheme providing a wider range of benefits which are based on internationally accepted standards. Its registered office address is Benjamin William Mkapa Towers, Jamhuri/Azikiwe Street Junction, P.O Box 1322, Dar es Salaam, Tanzania.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards, and Tanzania Financial Reporting Standard No. 1 and the National Social Security Fund Act (No. 28) of 1997. The financial statements are prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The accounting policies have been consistently applied to all periods presented in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Buildings

Buildings are initially recorded at cost. Cost comprises of expenditure that is directly attributable to acquisition or construction of buildings. Subsequently, buildings are carried at valuation (being fair value at the date of revaluation) less subsequent accumulated depreciation and subsequent accumulated impairment loss.

b. Land

Land held by the Fund is accounted for as property held under operating lease.

c. 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 future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of changes in net assets during the accounting period in which they are incurred.

Subsequently, items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss.

d. Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs of acquiring software that is regarded as an integral part of some identifiable hardware are recognized as part of the cost of the hardware. Costs of acquiring other software are recognized as intangible assets and are amortized over their estimated useful life.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Fund, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the costs of software development employees and an appropriate portion of relevant overheads.

Other costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years).



e. Depreciation and amortization

Depreciation is provided on a straight-line basis and is calculated separately for each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item. Applicable depreciation rates are as follows

Buildings	2%
Furniture and Fittings	12.50%
Computer Hardware	20%
Motor Vehicles	25%
Equipment	20%
Partitions	20%
Software is amortized at a rate of	20%

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

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

f. Impairment of assets

The Fund assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Fund makes an estimate of the asset's recoverable amount. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Items of property, plant and equipment that have an indefinite useful life are not subject to amortization and are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Property, plant and equipment that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed 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 that is the case the carrying amount of the asset is increased to its recoverable amount.

g. Non-current assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale include only assets available for immediate sale in their present condition in respect of which there is a high probability that a sale will have been completed within one year from the date of reclassification.

Non-current assets classified as held for sale are carried at the lower of carrying amount and fair value less costs to sell and are not depreciated.

h. Investment in properties

Investment properties are land and building held to earn rentals or for capital appreciation rather than for provision of services, administrative purpose or sale in ordinary course of business.

Buildings held by the fund for investment purpose shall be re-valued every three years and shall be reported in financial statement as per requirement of IFRS.

Investment properties shall be included in the statement of net assets available for benefits at fair value. The fair values shall be the prevailing market price of properties or for value determine by independent valuer.

Differences arising from the fair value and carrying amount of property shall be dealt within the statement of changes of net assets available for benefits.

i. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using First-In First-Out (FIFO) method.

j. Provisions

Provisions are recognized when the Fund has a 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 Fund expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

k. Functional currency and presentation currency

The functional currency of the Fund, which is also its presentation currency, is Tanzanian Shillings. Where it is convenient to do so, amounts in the financial statements are shown in thousands of Shillings (TZS'000).

l. Foreign currency transactions

Transactions in foreign currencies during the year are converted into Tanzania Shillings at rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are restated in Tanzanian shillings using the rate ruling at the balance sheet date. Exchange gains and losses are dealt with in the statement of changes in net assets in the year in which they arise.

m. Leases

Fund as lessor

Leases where the Fund retains substantially all the risks and benefits incidental to ownership of the leased item are classified as operating leases. All other leases are classified as finance leases.

n. Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents comprise of investments in money market instruments with maturity periods of three months or less.

o. Revenue recognition

Statutory contributions

Statutory contributions are recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Subsequently, contributions receivable are measured at carrying amounts less impairment losses. Contributions receivable shall be tested for impairment annually to determine their recoverable values.

An allowance for impairment of contributions receivable is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the contributions.



The amount of impairment loss is the difference between the contribution receivable carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate, or where more appropriate, at the interest rate that the Fund would have to pay to finance contributions receivable. The amount of impairment loss is recognized in the statement of changes in net assets.

Hire purchase transactions

Selling profit or loss on hire purchase sales is equivalent to the profit or loss recognized on outright sale of similar items in arm's length transactions.

Finance lease income

Finance income from hire purchase transactions and other finance leases is recognized in income on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

Operating lease income

Lease income from operating leases is recognized as income on a straight line basis over the lease term.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accruing the discount as interest income. Interest income on impaired loans is recognized either as cash is collected or on a cost-recovery basis as conditions warrant.

Dividend income

Dividend income is recognized when the right to receive payment is established.

p. Financial instruments

A financial asset or liability is recognized when the Fund becomes party to the contractual provisions of the instrument. Purchase and sale of investments are recognized on trade date – the date on which the Fund commits to purchase or sale the assets. Loans and receivables are recognized on the day the funds are advanced or when an invoice is raised.

Financial assets are initially recognized at fair value or at cost plus transaction costs for all financial assets not carried out fair value. Financial assets are derecognized when the rights to receive cash flow from the investments have expired or have been transferred and the Fund has subsequently transferred all risks and rewards of ownership.

The Fund classifies its financial assets into the following categories:-

- (i) Financial assets at fair value through profit or loss
- (ii) Loans, advances and receivables
- (iii) Held to maturity investments; and
- (iv) Available for sale assets.

Financial assets at fair value through profit or loss

A financial asset classified in this category if acquired principally for purpose of selling in the short term or if so designated by management. Classified in this category includes investments in quoted shares. These are stated at fair value.

Loans advances and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Fund provides money or services directly

to a debtor with no intention of trading the receivable. All loans and receivables held by the Fund fall under this category are stated at amortized costs. Receivable which do not carry interest rate are stated at their invoice price.

Held to maturity

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs other than an insignificant amount of held to maturity assets, the entire category would be tainted and classified as available for sale.

Government securities comprising of Government Stock, Treasury Bills, Treasury Bonds, and Special Government Bonds and Corporate Bonds and placement in banks falls in this category and are stated at amortised costs.

Available for sale financial instruments

Financial assets that are not (a) financial assets at fair value through profit or loss (b) loans, advances and receivables or (c) financial assets held to maturity. The Fund classified unquoted shares and Umoja Trust units as available for sale measured at fair value except where the fair value cannot be reliably measured; they are measured at cost and are subject to impairment losses.

Impairment and uncollectability of financial assets

At each reporting date, all financial assets are subject to review for impairment. If it is probable that the Fund will not be able to collect all amount due; then impairment loss has occurred. The amount of the loss is the difference between assets carrying amount and present value of expected future cash flows discounted at the financial instrument's original interest rate (recoverable amount).

The carrying amount of the asset is reduced to its estimated recoverable amount.

The amount of the loss incurred is included in the statement of changes in net assets available for benefits. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired.

Financial liabilities

Financial liability is recognised initially at its fair value plus transaction costs that are directly attributable to issue of financial liability. After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

q. Comparatives

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

r. Country of incorporation

The Fund is incorporated in Tanzania under the NSSF Act No. 28 of 1997.

4. CHANGES IN ACCOUNTING POLICIES

a. Standards issued and effective

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Fund has adopted the following new Accounting standards, amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Fund. They did however give rise to additional disclosures, including in some cases, revisions to accounting policies.



Amendments to IAS 39 Financial Instruments; Recognition and Measurement and IFRS 7 Financial Instruments; Disclosure- Recognition of Financial Assets.

The amendments allow entities to reclassify certain financial assets out of held-for-trading if they are no longer held for the purpose of being sold or repurchased in the near future.

- Financial assets that would be eligible for classification as loans and receivables (i.e. those assets which, apart from not being held with the intent of sale in the near term, have fixed or determinable payments, are not quoted in an active market and contain features which could cause the holder not to recover substantially all of its initial investments except through credit deterioration) may be transferred from 'Held-for trading' to 'Loans and receivables' if the entity has the intention and ability to hold them for the foreseeable future.
- Financial assets that are not eligible for classification as loans and receivables, may be transferred from Held-for-trading to 'Available –for-sales' or to Held-for-maturity, only in rare circumstances

The amendment requires detailed disclosures relating to such reclassifications. The effective date of the amendment is 1 July 2008.

IFRIC 11 IFRS 2 – Group and Treasury Share Transactions

This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed.

IFRIC 12, Service Concession Agreements

The IFRIC issued IFRIC 12 in November 2006. This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements

IFRIC 13, Customer Loyalty Programmes

The IFRIC issued IFRIC 13 in June 2007. This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to award credits.

IFRIC 14, IAS 19

The limit on a defined benefit asset, minimum funding requirements and their interaction IFRIC Interpretation 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits.

b. Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Fund.

- IFRS 7 Financial Instruments — Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements. The Fund has provided analysis on expenses from note 30 up to note 35 below.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Fund:

- IFRS 3 Business Combinations (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))
- IFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of Fund:

- IFRIC 13 Customer Loyalty Programmes (determining the fair value of award credits)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

c. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Fund's financial statements are listed below. This listing of standards and interpretations issued are those that the Fund reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has therefore no impact on the Fund's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 12 Income Taxes – Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Fund's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Fund's financial position or performance.



IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Fund's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under the IFRS for all fair value measurement. IFRS 13 does not change when an entity is required to use fair value under IFRS, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard becomes effective for annual periods beginning on or after 1 January 2013.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in Note 3 above.

Impairment of assets

The Fund assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

6. INVESTMENTS

Investments that represent 5% or more of the Fund's net assets are separately identified below:

Hifadhi-EPZ Properties	47,260,705	47,260,705
University of Dodoma Loan	234,054,578	178,834,930

Investments that represents 5% or more of a particular class of investments are separately identified below:

(a) Investments in properties

Benjamin William Mkapa Tower	39,765,427	37,364,165
Hifadhi-EPZ Properties	47,260,705	47,260,705
Water Front Building	23,139,008	23,121,333
Mwanza Commercial Complex	15,380,928	14,576,904

Corporate equity security
(b) Investments at quoted market values

Tanzania Breweries Limited	18,158,934	17,161,189
Tanzania Cigarette Company Ltd	6,661,028	6,190,514
Simba Shares	8,473,838	7,393,838

(c) Investments at estimated fair values

Tanzania Pharmaceutical Industries	5,628,431	5,628,431
MGC Redeemable cum. Preference shares	3,809,064	3,809,064
Azania Bank	10,166,000	7,341,000
Ubungu Plaza	9,817,038	9,817,030

(d) Corporate debt securities

Exim Bank (T) Ltd	26,476,723	13,636,445
Azania Bank Ltd	9,902,291	-
CRDB Bank Ltd	15,500,000	19,200,000
I & M Bank	8,793,338	
ABC (T)	9,864,517	
Bank M Ltd	9,001,850	

(e) Loans

Tanesco Loan	30,000,000	38,000,000
15%TPDF Loan	38,626,985	34,079,925
University of Dodoma Loan	234,054,578	178,834,930

	2010/2011 TZS`000	2009/2010 TZS`000
7. GOVERNMENT SECURITIES		
Government stocks	-	353,968
Special government bonds	-	7,848,794
Treasury bonds	271,171,358	177,114,038
	271,171,358	185,316,800
8. CORPORATE DEBT SECURITIES		
Corporate bonds	800,000	6,418,000
Fixed deposits	161,711,235	180,963,570
	162,511,235	187,381,570
9. CORPORATE EQUITY SECURITIES AT MARKET VALUE		
Investment in companies	42,914,674	38,644,210
Opening balance	38,644,210	36,562,927
Purchased during the year	-	3,661,878
Less shares sold during the year	(808,404)	-
Fair value adjustment	5,078,868	(1,580,595)
	42,914,674	38,644,210



10. INVESTMENT IN LOANS

	2010/2011 TZS`000	2009/2010 TZS`000
Government Institutions	366,300,438	307,709,465
Other Companies	90,278,535	82,168,872
Kinyerezi housing	1,961,156	2,120,575
LESS: Provision for Doubtful Loans	(5,136,250)	(5,235,695)
	<u>453,403,879</u>	<u>386,763,217</u>

Included in the loan to government institutions balance for financial year 2010/2011 is an amount of TZS 234,054,578,239 (FY2009/10 TZS 178,834,930,966) that relate to the Agreement for the financing of the construction of the College of Humanities and Social Sciences of the University of Dodoma. The project is divided into two phases; Phase I which comprises construction of five blocks of students hostels and Phase II which comprises of construction of blocks of students hostels and other facilities for fifteen thousand students. The NSSF management accepted the government proposal and agreed to finance and construct the students hostels at maximum cost of TZS 35,218,770,829.6 VAT and accelerated cost inclusive for Phase I. This is in the form of Design Build, Own and Transfer, where by the Fund shall receive rent calculated on the basis of cost of investment and interest on investment (15%) over a 10 year period. Phase I of the project was completed in September 2008. Phase II of the project commenced in the financial year 2008/09. The maximum value of this phase has not yet been determined since the two parties have not perfected the Agreement. NSSF has not commenced collecting rentals for Phase I of the project. The Tenant (the Government) is fully responsible for maintenance of the buildings and any other matters incidental there to immediately after the end of the defects liability period.

11. CORPORATE EQUITY SECURITIES AT FAIR VALUE

	2010/2011 TZS`000	2009/2010 TZS`000
Investment in companies	35,085,059	30,659,663
Opening balance	30,755,662	26,521,974
Additions during the year	4,142,250	
Fair value adjustment	283,147	
Subtotal	35,181,059	30,755,662
Provision for diminution in shares (Tanzania House Bank)	(96,000)	96,000
Closing balance	35,085,059	30,659,663

Included under investment in companies are associate companies; Azania Bank Ltd and Ubungu Plaza Ltd stated at TZS 10,221,556,225 and TZS 9,817,038,702 (2009/10 - TZS 7,396,556,225 and TZS 9,817,038,702) respectively.

12. INVESTMENTS IN PROPERTIES

	2010/2011 TZS`000	2009/2010 TZS`000
Opening balance	200,440,717	187,363,491
Add: Additions during the year	51,597,542	13,077,226
Less: Disposals during the year	(500,000)	-
Closing balance	251,538,259	200,440,717



	2010/2011 TZS`000	2009/2010 TZS`000
13 CASH AND BANK BALANCES		
Bank current accounts	24,324,396	8,348,697
Funds In Transit and in collection A/c	5,100,215	4,667,730
Petty cash	500	-
	<u>29,425,111</u>	<u>13,016,427</u>
14 CONTRIBUTION RECEIVABLES		
Statutory contribution receivable	40,806,535	33,473,578
Dishonored cheque	1,898,268	860,561
Contributions underpaid by employers	3,707,161	3,237,020
Sub Total	<u>46,411,964</u>	<u>37,571,159</u>
LESS: Provision for impairment	<u>(8,963,108)</u>	<u>(6,136,214)</u>
	<u>37,488,856</u>	<u>31,434,945</u>
15 OTHER RECEIVABLES		
Sundry prepayments	286,765	487,177
Other deposits	-	500
Rent receivable	13,397,898	13,362,598
Dividend receivable	5,969,130	5,013,493
VAT	29,444,378	16,805,233
TRA Bills of cost Receivable	230,457	230,457
Other Receivables	214,055	379,755
Staff debtors	17,411,126	10,847,692
Benefit imprest accounts	4,708,294	2,532,486
Field offices account receivable	343,600	196,008
Subtotal	<u>72,005,703</u>	<u>49,854,399</u>
LESS : Provision for impairment of rent receivable	<u>(8,793,685)</u>	<u>(6,589,926)</u>
	<u>63,212,018</u>	<u>43,264,473</u>
16 TAX RECEIVABLES		
Withholding tax on interest	13,313,715	11,708,685
Corporation Tax overcharged	2,100,191	2,100,192
Subtotal	<u>15,413,906</u>	<u>13,808,877</u>
LESS : Provision for impairment	<u>(2,958,237)</u>	<u>(2,655,899)</u>
Corporation tax payable	<u>(3,170,234)</u>	<u>-</u>
	<u>9,285,435</u>	<u>11,152,978</u>

The Tax is receivable as the Fund has won a case against TRA in the tax appeals tribunal.



	2010/2011 TZS`000	2009/2010 TZS`000
17 ACCRUED INTEREST ON INVESTMENTS		
Government stock	-	23,302
Bank fixed deposits	3,989,549	7,166,509
Special Govt. bonds	-	188,825
Treasury Bonds	9,319,786	7,163,578
Corporate Bonds	35,783	1,596,853
TTCL Pensioners Interest Receivable	80,769	159,923
Corporate Loans	51,658,788	33,349,376
Subtotal	65,084,675	49,648,366
LESS : Provision for impairment	(12,288,325)	(13,039,174)
	52,796,350	36,609,192
18 INVENTORIES		
Stationery and consumables	403,565	824,274
WIP-Mtoni Kijichi housing scheme	9,220,491	5,992,513
	9,624,056	6,816,787
19 INTANGIBLE ASSETS		
Application Software		
Cost		
At 1 July 2010	6,282,309	6,282,309
Additions	672,510	-
At 30 June 2011	6,954,819	6,282,309
Accumulated amortization		
At 1 July 2010	5,601,115	4,409,615
Charge for the year	684,008	1,191,500
At 30 June 2011	6,285,123	5,601,115
Net book value		
At 30 June 2011	669,696	681,194

20 PROPERTY, PLANT AND EQUIPMENT

COST	LAND & BUILDINGS TZS '000	MOTOR VEHICLE TZS '000	MOTOR CYCLE TZS '000	FURNITURE AND FITTINGS TZS '000	OFFICE MACHINE AND EQUIPMENT TZS '000	COMPUTER INSTALLATION TZS '000	CAPITAL WORK IN PROGRESS TZS '000	TOTAL TZS '000
At 1 July 2010	24,616,447	3,279,905	76,298	225,172	1,325,440	1,108,984	366,131	30,998,377
Additions	5,312	776,585	-	64,035	95,270	1,350,051	118,702	2,409,955
Revaluation								
Disposals/Adjust	(740,000)				(10,250)	(4,400)	-	(754,650)
At 30 June 2011	23,881,759	4,056,490	76,298	289,207	1,410,460	2,454,635	484,833	32,653,682
DEPRECIATION								
At 1 July 2010	2,088,709	2,846,029	76,298	2,936	16,979	37,280		5,068,231
Depreciation	817,855		219,624	32,821	272,471	376,571		1,719,342
Revaluation adjust								
Disposals/adjust	(58,446)	-		-	-			(58,446)
At 30 June 2011	2,848,118	3,065,653	76,298	35,757	289,450	413,851	-	6,729,127
NET BOOK VALUE	21,033,642	990,837	-	253,450	1,121,010	2,040,783	484,833	25,924,555
At 30 June 2010	22,527,736	433,874	1	222,236	1,308,460	1,071,704	366,131	25,930,144
At 30 June 2011	21,033,642	990,837	-	253,450	1,121,010	2,040,783	484,833	25,924,555

PROPERTY, PLANT AND EQUIPMENT-30.6.2010

COST	LAND & BUILDINGS TZS'000	MOTOR VEHICLE TZS '000	MOTOR CYCLE TZS 000	FURNITURE AND FITTINGS TZS '000	OFFICE MACHINE AND EQUIPMENT TZS '000	COMPUTER INSTALATION TZS '000	CAPITAL WORK IN PROGRESS TZS '000	TOTAL TZS '000
At 1 July 2009	24,626,957	3,043,782	76,298	210,584	2,938,207	5,702,241	264,073	36,862,142
Additions	467,020	236,122	-	44,332	374,096	463,064	364,527	1,949,161
Transfer to/ (from) WIP	262,469						(262,469)	-
Revaluation surplus/ (loss)				84,033	147,089	(669,562)	-	(438,440)
Revaluation				(113,777)	(2,133,952)	(4,386,759)		(6,634,488)
Disposals/Adjust	(740,000)						-	(740,000)
At 30 June 2010	24,616,446	3,279,904	76,298	225,172	1,325,440	1,108,984	366,131	30,998,377
DEPRECIATION								
At 1 July 2009	1,278,101	2,602,043	76,297	94,487	1,757,948	3,718,909	-	9,527,785
Depreciation	864,481	243,987	-	22,226	392,984	705,130	-	2,228,808
Revaluation adjust				(113,777)	(2,133,952)	(4,386,759)	-	(6,634,488)
Disposals/adjust	(53,872)		-	-	-	-	-	(53,872)
At 30 June 2010	2,088,710	2,846,030	76,297	2,936	16,980	37,280	-	5,068,233
NET BOOK VALUE								
At 30 June 2009	23,348,856	441,739	1	116,097	1,180,259	1,983,332	264,073	27,334,358
At 30 June 2010	22,527,736	433,874	1	222,236	1,308,460	1,071,704	366,131	25,930,144



	2010/2011 TZS`000	2009/2010 TZS`000
21 NON CURRENT ASSETS HELD FOR SALE		
Office buildings	770,220	88,666
NSSF Tanga Flats Plot 384/138	500,000	-
	1,270,220	88,666

22 ACCOUNTS PAYABLE

SHIB payable	95,493	100,441
Rent received In advance	1,242,689	1,198,936
Treasury bills Interest overpaid	48,090	48,090
Endowment scheme	37,469	37,468
Unallocated Contributions	4,689,096	3,929,187
Stale benefit cheques	2,035,356	1,473,945
Accounts payable(Flower Mosha)	10,000	10,000
Deposit Refundable	10,000	10,000
Accrued expenses	1,831,914	2,236,012
Provision for gratuity	63,412	26,740
NSSF/TTCL Pensioners Payable	-	154,504
Stamp duty Payable	748,836	748,838
Advance received-Disposal of Buildings/Plots	239,200	-
Provision for audit fees	305,790	200,000
M/S Paradise Holiday Resort	635,953	-
	11,993,298	10,174,161

23 FUNDS FOR TTCL PENSIONERS

The Fund is entrusted to manage a Pension Fund for paying pensions to TTCL employees who were still in employment when TTCL was privatized. The scheme was earlier being managed by TTCL.

24 LONG TERM STAFF BENEFITS

The Fund have provided for terminal benefits payable to the Fund's employees on terminations of employments as per the existing terms of employment.

25 DEFERRED TAX

Accelerated wear and tear	32,762,002	22,475,756
Reconciliation		
At beginning of the period	22,475,756	2,648,392
ADD: charge for the year	10,286,246	19,827,364
At the end of the period	32,762,002	22,475,756



26 INVESTMENTS INCOME

	2010/2011 TZS'000	2009/2010 TZS'000
Government Securities	21,320,280	17,602,004
Corporate Bonds	454,175	1,409,656
Fixed Deposits	15,297,076	18,379,578
Loans	27,651,994	31,226,136
Dividends	4,077,477	5,237,657
Gain on sale of investments	43,310	64,965
	<u>68,844,312</u>	<u>73,919,996</u>

27 OTHER INCOME

Disposal of Fixed Assets	287	90,539
Miscellaneous income	2,879,719	5,332,492
Agency commission	44,851	124,667
Penalty on delayed contribution	1,234,239	450,430
Gain/Loss on sale of shares	141,141	230,598
	<u>4,300,237</u>	<u>6,228,726</u>

28 DECREASE IN INVESTMENTS AT MARKET VALUES

Increase/decrease in investment values is the difference of market values at the beginning and end of the period of quoted equity securities at Dar es salaam Stock Exchange (DSE).

29 CONTRIBUTION FROM EMPLOYERS

Members contributions		
Employers	178,689,625	150,160,593
Employees	178,689,625	150,160,591
Duplicated membership card	19,627	19,499
Refund of excess contributions	(886,814)	(251,139)
	<u>356,512,063</u>	<u>300,089,544</u>

30 BENEFIT PAYMENTS

Withdrawal	106,221,067	89,814,592
Age	3,757,360	3,243,874
Survivors	6,786,229	5,055,188
Invalidity	4,566	98,857
Maternity	2,328,871	1,546,591
Funeral grants	49,939	38,248
Employment injury	34,738	34,477
Health Insurance	2,003,300	1,439,117
Retirement pension	15,410,429	8,864,388
	<u>136,596,499</u>	<u>110,135,332</u>

	2010/2011 TZS'000	2009/2010 TZS'000
31 ADMINISTRATIVE EXPENSES		
Personnel emoluments	28,373,381	19,761,405
Office expense	5,729,232	4,461,035
Travelling expenses	5,140,060	3,483,967
Maintenance and running expenses	5,258,044	4,404,964
Cleaning	104,146	194,176
Training expenses	2,497,438	1,776,520
Conference and missions	1,844,428	1,372,659
Board meeting expenses	1,330,697	689,241
Audit fees	328,215	213,921
Commissions and fees expenses	312,465	137,417
Staff welfare expenses	609,026	488,863
Promotion and publicity expenses	2,825,177	1,916,256
Donation	379,925	477,324
Fees and other charges	2,195,318	1,450,995
Other expenses	89,284	592,569
Loss account (members benefits)	1,205	-
	57,018,042	41,421,312
32 BAD/DOUBTFUL DEBTS		
Staff debts	22,575	13,101
Rent receivable	2,036,554	670,667
Interest receivables on loans	-	546,000
Corporate loans	-	7,608,346
	2,059,129	8,838,114
33 PROVISION IMPAIRMENT OF RECEIVABLES		
Tax receivables	302,337	(462,801)
Statutory contribution receivables	2,826,895	(1,049,704)
Provision for ex-staff debts	167,205	-
	3,296,437	(1,512,505)
34 OTHER CHARGES		
Loss on sale of buildings	-	3,400
Withholding tax on dividend	201,381	237,787
	201,381	241,187



35 TAX EXPENSE

	2010/2011 TZS'000	2009/2010 TZS'000
Tax expense	3,170,234	-
Deferred tax	10,286,247	19,827,363
	13,456,481	19,827,363

Reconciliation of tax expense:

Tax on increase in net assets @ 30%	71,240,475	61,256,209
Tax on non allowed expenses	64,443,031	44,517,708
Tax on allowed expenses	(123,580,425)	(92,779,943)
Tax on loss brought forward	(8,932,846)	(24,516,872)
Tax on temporary differences	10,286,246	31,350,261
	13,456,481	19,827,363

36 CASH AND CASH EQUIVALENTS

Cash at banks	24,324,396	8,348,697
Funds in transit & in collection	5,100,216	4,667,730
Fixed deposits (Only those maturing within 3 months)	23,113,960	-
Petty Cash	500	-
	52,539,072	13,016,427

38 RELATED PARTY TRANSACTIONS

(a) Remuneration of key management personnel

Key management salaries and allowances	1,677,935	1,051,605
Trustees fees and allowances	493,613	379,784
Outstanding loans from key management	774,381	477,509
	2,945,929	1,908,898

(b) Transaction with Key Management

Loan to key management comprises of housing loan and transport facility loan. The housing and transport facility loans attract 5% interest. The maximum loan repayment period is 72 months for transport facility loans and 180 months for housing loans.

(c) Transaction with the Parent Ministry

The Fund has rented office buildings to the Ministry of Labour and Youth Development. Rent for the year under review is TZS 534,573,000, rent paid is TZS 525,516,501. The opening balance of rent receivable was TZS 179,263,950 (2009/2010) and the closing balance of rent receivable is TZS 188,320,499 (2010/2011). These transactions are carried at arm's length basis.

(d) Transactions with investee Companies :

These companies and respective Fund's holdings are as follows:-

Associate company	Country of incorporation	Primary business	% Held
Azania Bank Ltd	United Republic of Tanzania	Banking	35%
Ubungu Plaza Ltd	United Republic of Tanzania	Real estate property manager	35%
Pension Properties Ltd	United Republic of Tanzania	Implementing real estate projects	5%
Jubilee Insurance (T) Ltd	United Republic of Tanzania	Insurance	10%

	2010/2011 TZS`000	2009/2010 TZS`000
(e) The following amounts are due from related parties		
Fixed Deposit with Azania Bank Ltd	9,902,292	9,122,371
Outstanding Loan with Ubungu Plaza	464,795	47,071
Outstanding Loan with Pension Properties Ltd	19,128,733	9,432,011
Outstanding Loan with Azania Bank	571,429	1,428,572
	30,067,248	20,030,025

The Fund runs an insurance agency for Jubilee Insurance Company (T) Ltd. Agency commission received by the Fund is TZS 44.85million (2009/2010: TZS 122.61million). All transactions with related parties were carried at arm's length basis.

39 LEASES

The Fund owns a number of premises for which it is a lessor in an operating lease. The Fund leases its premises for at least 2 years. The lease payments are determined and fixed at the commencement of the lease. The lease agreements are renewable at the end of the lease term. Future minimum lease payments at 30 June 2011 are as follows:

Up to 1 Year (TZS)	1 to 5 Years (TZS)
10,100,000	

The Fund also has a project under which it constructs houses and sells them either under hire purchase terms or on outright sale basis. The hire purchase balances, which are included in 'Investments in Loans and Receivables' are as follows:

	2010/2011 TZS`000	2009/2010 TZS`000
Gross Investment in the Lease	3,453,457	3,768,830
Present Value of Minimum Lease Payments	(1,961,156)	(2,120,575)
Unearned HP interest	1,492,301	1,648,255

40. SOCIAL SECURITY COSTS

Some of the Fund's employees are members of the Parastatal Pension Fund (PPF) and others are members of the National Social Security Fund (NSSF). For NSSF, the Fund and employees each



contribute 10% of employees' gross salary to the scheme, on a monthly basis, whereas for PPF, the Fund contributes 15% of employees' basic salary to the scheme and the employee contributes 5%. The employer's contribution is charged to the income statement when payable.

The amount charged to the statement of changes in net assets in the year in respect of the Fund's contribution is:

	2010/2011 TZS'000	2009/2010 TZS'000
Fund's contribution to NSSF	1,291,492	879,382
Fund's contribution to PPF	1,987,205	1,356,338
	3,278,697	2,235,720

At year-end the following amounts were payable to PPF and NSSF. They relate to the June contributions and have subsequently been paid.

Fund's contribution – NSSF	110,577	72,351
Employees' contribution – NSSF	110,577	72,351
	221,154	144,702
Fund's contribution – PPF	168,877	110,699
Employees' contribution – PPF	51,805	33,374
	220,682	143,073

41. OTHER STATUTORY PAYROLL REMITTANCES

Other statutory payroll remittances include Pay As You Earn (PAYE), and the Skills and Development Levy. PAYE and Skills and Development Levy are payable by the Fund to the Tanzania Revenue Authority (TRA) in accordance with the Income Tax Act. The amounts charged to the Statement of Changes in Net Assets available for benefits during the year in respect of the Skills and Development Levy remittances are:

Skills and Development Levy	1,364,476	1,110,272
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The amounts deducted from the employees' salaries and wages in the year in respect of PAYE are:

	5,744,471	3,885,224
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42. Capital Commitments

The Fund had capital commitments of TZS 61,425,000,000 representing capital expenditure which had been approved and contracted for but not yet expended. All capital expenditures incurred up to the balance sheet date have been provided for.

43. Contingent liabilities

As at the balance sheet date, the Fund has no contingent liabilities.

44. Events after the balance sheet date

There were no events after the balance sheet date.

45. FINANCIAL RISK MANAGEMENT

a) Treasury risk management

The Fund operates a treasury function to provide competitive funding costs, invest and monitor financial risk. The treasury activities are routinely reported to the Board.

The Fund does not use derivative financial instruments for speculative purposes.

b) Foreign currency risk

Foreign currency risk is managed at an operational level and monitored by the Directorate of Finance. Exposure to losses from foreign liabilities is managed through prompt payment of outstanding liabilities.

c) Liquidity risk

The Fund does not face any liquidity risk due to its nature of operations and investment policies in place help management of liquidity.

d) Credit risk management

Potential concentration of credit risk consists principally of short term cash and contributions receivables. The Fund deposits short term cash surpluses only with banks of high credit standing. Contribution receivables are presented net of allowance for impairment.

Accordingly, the Fund has no significant concentration of credit risk that has not been adequately provided for.

46. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

As at 30th June, 2011	Less than 12 months TZS`000	Over 12 months TZS`000	Total TZS`000
Assets:			
Investment at quoted market values	177,117,637	299,479,629	476,597,267
Investment at quoted market values	177,117,637	299,479,629	476,597,267
Investment at estimated fair value	32,318,873	707,708,323	740,027,197
Other assets			
Statutory contribution receivable	33,713,910	7,092,624	40,806,534
Staff debts	1,878,642	15,532,483	17,411,125
Interest receivable on investment	13,417,810	51,666,865	65,084,675
Dividends	518,976	5,450,154	5,969,129
Liabilities:			
Accounts payable	5,215,711	6,777,587	11,993,298
Fund's for TTCL Pensioners	892,459	8,254,298	9,146,758
Provision for Long term staff benefits	957,596	38,229,419	39,187,015



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