

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 ST DECEMBER 2001

The Parastatal Pensions Fund was established under section 6 of the Parastatal Pensions Act No.14 of 1978, to provide pensions and other allied terminal benefits to all eligible employees of parastatal and private companies in Tanzania. Members from private companies were however registered upon declaration in the government gazette by the Minister for Finance a requirement, which has been dropped following amendments made to the Act during the year, under Parastatal Pensions (Amendments) Act, no 25 of 2001.

Since its establishment, the Fund has been able to record a steady growth, and recent statistics show that the size of the accumulated fund has, as at December 2001, reached TZS 107.7 billion up from TZS 70.8 billion as at 31st December 1998 (as depicted at the table below).

FINANCIAL HIGHLIGHTS

	TZS (BILLION)			
YEAR	1998	1999	2000	2001
Total Contributions	18.68	25.81	27.65	31.52
Investment income	5.75	5.76	6.79	7.10
Benefits incurred	10.57	12.20	15.83	16.57
Size of Acc.fund	70.81	83.06	91.93	107.70

PPF MISSION STATEMENT

"TO BE THE RECOGNISED INDUSTRY LEADER AND PREMIER PROVIDER OF PENSIONS AND RELATED BENEFITS AS WELL AS OTHER FINANCIAL SERVICES THROUGH RESPONDING TO CUSTOMER NEEDS, PRUDENT INVESTMENTS, STIMULATING AND CHALLENGING EMPLOYEES. TO BE AN EXPERT ORGANIZATION FAVOURED BY ITS CUSTOMERS,
! RESPECTED BY ITS POTENTIAL COMPETITORS, SUPPORTED BY ITS EMPLOYEES AND WELL REGARDED BY THE I COMMUNITY AT LARGE."

PPF FOR ASECURE FUTURE

PPF House
Samora Avenue/Morogoro Road
P.O. Box 72473
Dar es salaam

Telephone: 255-022 -2113919-22
Fax: 255 -022-2117772
Telex: 41053 PPF TZ
E-mail: ppf@ppftz.org
Web: www.ppf@ppftz.org

CONTENTS

	<i>Page</i>
LETTER OF TRANSMITTAL	4
CHAIRMAN'S STATEMENT	5
DIREGOR GENERAL'S REVIEW OF OPERATIONS	7
REPORT OF THE TRUSTEES	15
REPORT OF THE AUDITORS 20 BALANCE SHEET AS AT 31 ST DECEMBER, 2001	21
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 ST DECEMBER, 2001	22
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2001	23
NOTES ON THE ACCOUNTS	24

LETTER OF TRANSMITTAL



May, 2002

Hon. Basil P. Mramba (MP)

Minister for Finance,

P. O. Box 9111,

Dar es Salaam.

Dear Hon. Minister,

In accordance with section 14(3) of the Parastatal Pensions Act of 1978, I hereby submit, on behalf of the Board of Trustees, a report on the Fund's operational performance for the financial year ended 31st December 2001, together with the audited accounts of the same period.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter J. Ngumbullu'.

Peter J. Ngumbullu

CHAIRMAN OF THE BOARD OF TRUSTEES

CHAIRMAN'S STATEMENT



Mr. Peer J. Ngumbullu

In my Statement last year, I expressed the determination of the Fund to improve its competitive position in the market by increasing market share and by streamlining its operations through a number of measures. I mentioned six key strategic imperatives to that end, namely; achieving financial stability, having an appropriate investment policy, command leadership in customer services, have powerful sales and marketing, efficient organisation and involvement of our members in governance. The imperatives resulted from the diagnostic study that was carried out in order to determine our competitive position in the social security industry. Out of the study, we realised there was a number of problems, which could have hindered our determination to achieve our main objectives. We have, therefore, taken a number of steps in the year 2001, which I am confident will bring significant value added to the Fund and to its members in both the medium and longer term.

The government is committed to implement within the framework of the Poverty Reduction Strategy, social and economic reforms with emphasis of creating a private sector led market economy. You will recall that towards the end of last year the Parastatal Pensions Act was amended through the Parastatal Pensions Act No 25 of 2001. With these amendments PPF is now poised to grow further and be able to freely recruit members from private and informal sectors as well.

The government is keen on tracking the developments in the social security industry with a view of creating an enabling environment for social security schemes to grow and expand coverage to include those not in the formal employment. This objective augurs quite well with the objective of reducing abject poverty by half by the year 2015 as outlined in the Poverty Reduction Strategy under implementation as the main framework for government's resource allocation to achieve poverty reduction through increased growth. In view of this, the government is preparing a social security policy, which will, among others; set framework to regulate the industry and create a level playing ground for all social security players and compete in service delivery, product differentiation, market share and expand population coverage.

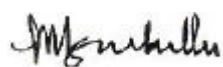
On the operational side, we have achieved commendable results in the year 2001. In the previous years, our performance was being held back by the on going retrenchments in our traditional market and deaths mainly resulting from

HIV/AIDS. For the period under review, despite the said problems, our rescue strategies have worked. The Fund recorded very impressive performance in 2001. Surplus before taxation went up by 58.1 percent, recording TZS 16.6 billion up from TZS10.5 billion realised in 2000. This surplus was achieved through combined strategies of increasing income and significantly cutting down operational expenses. While benefit payments increased by 4 percent from TZS 15.8 billion to TZS 16.5 billion, other expenditures were reduced by 27 percent from TZS 10.6 billion to TZS 7.7 billion in 2001.

Contributions from members increased by 14.1% from TZS 27.6 billion in 2000 to TZS 31.5 billion in 2001. Interest income, however, decreased by 23.1 % from TZS 3.93 billion in 2000 to TZS 3.0 billion in 2001. The decrease is attributed to the decrease in interest rates for Treasury Securities and Bank deposits. Rental and other incomes increased by 17.9% from TZS 2.8 billion earned in 2000 to TZS 3.3 billion in 2001. Dividend income also increased by 523.6 percent from TZS 131.7 million in 2000 to TZS 821.3 million in 2001. This increase is mainly explained by the Fund's decision to actively participate in equity investments and in the Dar es Salaam Stock Exchange (DSE). It is expected that growth in the stock market and also the current measures by government to create more instruments in the economy through financial markets development, will bring considerable value to the Fund as there will be more instruments being traded in the economy, thus increasing the volume of activities and earnings. Total income of the Fund increased by 10.3% from TZS 36.9 billion in 2000 to TZS 40.7 billion during the year under review

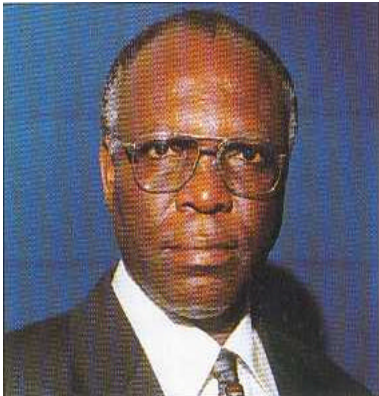
With this performance, we will be able to raise minimum pensions accordingly. The amendments made to the PPF Act are also expected to give the Fund opportunities to design additional schemes and products to improve benefits to our members.

Finally, I wish to take this opportunity to thank all the members of the Fund and our business associates for the utmost cooperation they have given to us. I also wish to recognise the contribution of my fellow Trustees for the continued commitment and the management and staff of the Fund for their hard and dedicated work.



Peter J. Ngumbullu
CHAIRMAN OF THE BOARD OF TRUSTEES
May, 2002

DIRECTOR GENERAL'S REVIEW OF OPERATIONS



Mr. Naftal Nsemwa

A review of operations of the Fund like of any other institution is one of the ways through which a public responsible institution reaches its members. Not only that it becomes transparent in carrying out its activities, but also enables its members to have a sense of belonging as they gain unrestricted access to scrutinising the financial condition of their entity. In my review of last year, I singled out year 2000 to have been one of the difficult years in the Fund's history; the expectation was for a tough ride through the subsequent year (i.e. 2001). With this anxiety, our proactive approach was to formulate a set of comprehensive and workable strategies, out of which, the growth of the Fund has been tremendously revamped. This reminds me of a popular saying, *"Play your part it can be done"*.

During the period under review, the problems remained the prevalence of AIDS and the related illnesses and the retrenchments in our member organisations. These problems combined, formed the largest source of premature drain from the Fund. Most of our member organisations continued to experience liquidity constraints thereby failing to honour their statutory contributions remission obligations, an aspect which constrained further growth. Reforms in the parastatal and private sectors led to a number of retrenchment cases, putting pressure on the Fund partly due to lack of awareness on the side of members who do not distinguish between *"pension schemes"* and *"provident schemes"*. As immediately they change or lose employment, they rush to PPF to claim for refund of contributions without knowing that pension is a security against old age and invalidity and that a better pension is moulded by a continuous membership. It is noted with great concern that most of the victims of retrenchments are still young and could still get reemployed elsewhere and therefore extend their membership with the Fund for better pension earnings later as they become old or suffer disabilities down the road. It should be emphasised here that pension is an old age benefit and not unemployment benefit. Big amounts of money proportionate to the recent enhanced salaries were therefore paid out as benefits to the retrenched employees with premature (under age) pensioners taking lead sums.

In addition to monthly contributions collected from members, the other main source of income of the Fund has been returns from investments. Investments did not perform as expected due to a number of shortfalls in the investment market. The government being the regulator in this area has been pursuing policies that aim to create economic environment that enables the private sector to take the lead in production and distribution of goods and services.

As you are aware, the stock exchange has been operative since 1998 and the government is doing whatever it can to v.' offload its assets in the privatised companies through this market. PPF found this market useful and has been able to fully exploit it, although its capacity to absorb the Fund's liquidity is minimum. With the commitment of the government to implement sound fiscal and monetary policies the government's massive borrowing in the financial system has been reduced leading to lowered tender sizes in its weekly Treasury securities auctions conducted by the Bank of Tanzania. Small tender sizes coupled with risk averse foreign dominated banking system, demand for the risk free investment has stiffened leading to serious cuts in yields, affecting our income from this traditional source and contagiously affecting bank deposit rates. In the property market, a stiff competition emerged from the mushrooming, investment buildings, threatening massive cuts in rental rates. .

Despite this unfriendly environment, we have made great progress during the period under review. Total contributions increased by 14.1% from TZS 27.6 billion earned in 2000 to TZS 31.5 billion earned in 2001. Interest income decreased by 23.1 % from TZS 3.93 billion in 2000 to TZS 3.0 billion in 2001. The decrease is attributed to a decrease in interest rates for Treasury Securities and Bank deposits as explained above. Rent and other income increased by 17.9% from TZS 2.8 billion earned in 2000 to TZS 3.3 billion in 2001. The total income of the Fund increased by 10.3% from TZS 36.9 billion in 2000 to TZS 40.7 billion during the year under review.

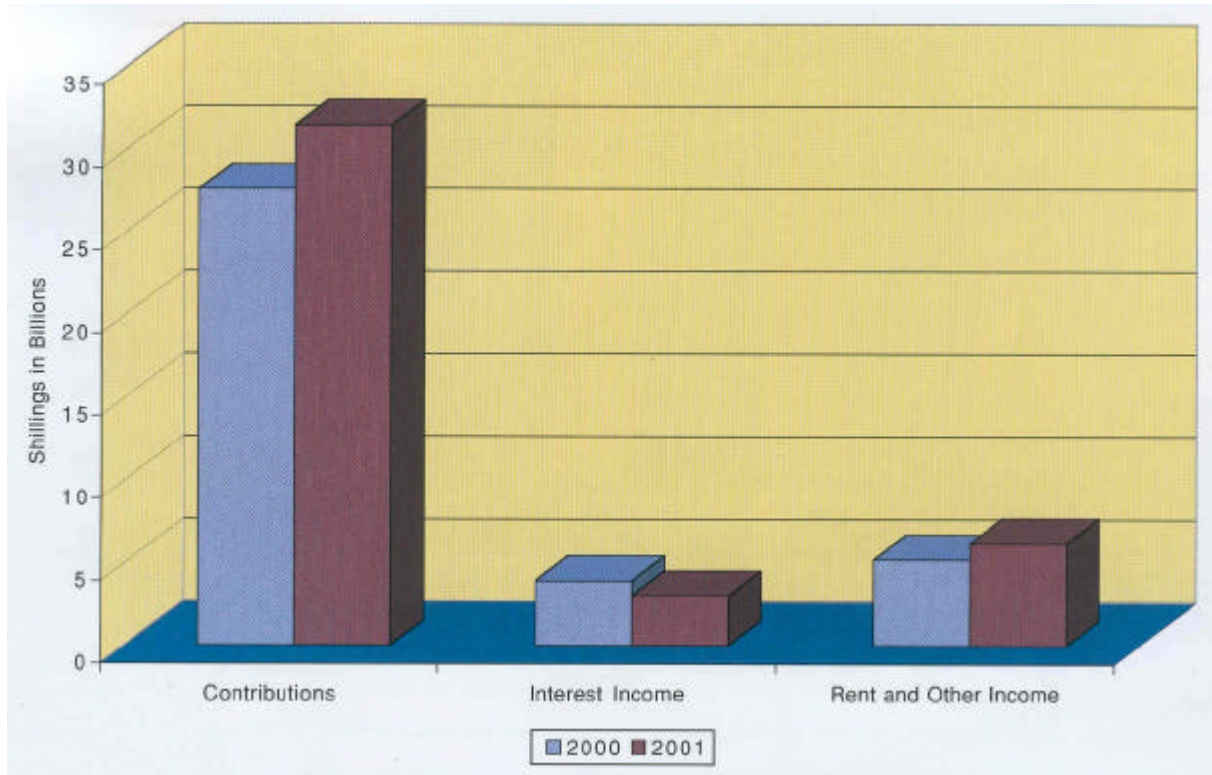
Benefit payments increased by 7.0 percent during the year from TZS 15.8 billion to TZS 16.5 billion. The increase mainly explained by payments made to retrenches as well as victims of HIV/AIDS related deaths as explained above. Amount of death benefit paid rose by 4.5 percent from TZS 2.2 billion in 2000 to TZS 2.3 billion in 2001. Despite the foregoing, the performance of the Fund was very impressive as it recorded the highest surplus of TZS 16.6 billion before tax, reflecting a 58.1% growth when compared to the surplus of TZS 10.5 billion recorded in 2000. Following this performance, the size of the accumulated fund increased by 16.8% from TZS 91.9 billion as at 31st December, 2000 TZS 107.7 billion as at 31st December, 2001.

INCOME Total income of the Fund increased by 10.3% from TZS 36.9 billion earned in 2000 to TZS 40.7 billion in 2001. The income is made up of the following major categories as shown in table 1 below.

Table 1.1

	2001		2000	
	TZS (BILLION)	%	TZS (BILLION)	%
Contributions	31.5	77.4	27.646	75
Interest Income	3.0	7.4	3.930	11
Rent and Other	6.2	15.2	5.287	14
TOTAL	40.7	100	36.9	100

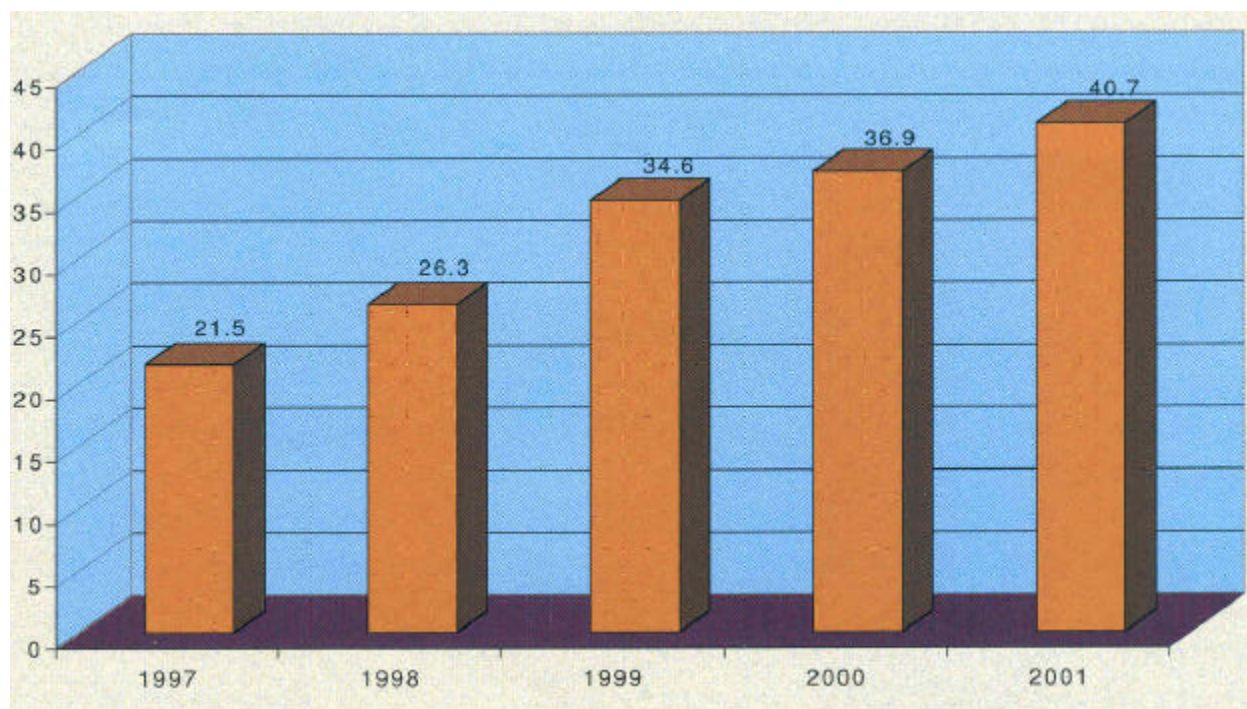
INCOME COMPOSITION



The Fund's income for each of the past five years has been continuous registering a positive growth as demonstrated here under

Table 1.2

YEAR	AMOUNT TZS (BILLION)	GROETH %
1997	21.50	10
1998	26.33	22
1999	34.54	31
2000	36.86	7
2001	40.71	10



INVESTMENTS

The Fund's investment portfolio is made up of three major categories of investment namely, fixed income assets, properties and equities. The benchmarks for the three investment categories are 55%, 40%, and 5% respectively. Fixed Income Assets class consist of Bank Deposits, Treasury Securities, Commercial Papers, and Term Loans.

The Investment policy is being reviewed to cope up with developments in the economy as well as the emerging challenges ahead of social security sector liberalisation.

A breakdown into specific asset classes of the Fund's investment portfolio as at 31 st December 2001 and comparative figures for 2000 (in TZS billion) are given in the table below:

Table 1.3

Investment	2001		2000	
	Amount	%	Amount	%
Commercial papers	0.0	0.0	0.77	1.0
Treasury bills	0.46	0.5	1.98	2.6
Government Stocks	2.66	2.9	2.66	3.4
Bank Fixed Deposits	29.37	32.0	14.08	18.3
Long term loans	1.00	1.0	1.16	1.5
Properties	48.40	52.7	47.36	61.4
Equities	3.90	4.2	3.81	4.9
Corporate Bonds	1.50	1.6	2.25	2.9
Treasury Bonds	4.58	5.0	3.04	3.9
TOTAL	91.87	100.00	77.11	100.00

Fixed Income Assets

This group of assets has been the principal source of income to the Fund. During the period under review its contribution to total investment income was 42 percent down from 51 percent share contributed during the year 2000. The fall in the share contribution is explained mainly by a fall in yields in money markets and debt securities as explained above.

Properties The percentage holding in investment properties as at December 31, 2001 declined by 7.7 percent to 56.2 from 63.9 percent holding as at December 31 2000. The fall is explained by the deliberate restraint to invest in property development following a stiff competition posed by mushrooming buildings mostly in the city of Dar es Salaam. No construction project was started during the year. In terms of contribution to total income, rental revenue increased its share from 41.2 percent during the year 2000 to 46.5 percent during the period under review.



H.E President, Benjamin William Mkapa, official opening the multi billion PPF Towers and Parking complex at the corner of Ohio Street and Garden Avenue in Dar es Salaam. The 18th storey magnificent building has changed the skyline of the city is one of the investment of the Fund. The colourful was held in March 2001.

Equities

Equities Equity investment involves holding or subscribing to shares in Private and Public companies and it amounts to direct participation in the capital and therefore the profits of the companies concerned. As at the end of the year 2001, shares worth TZS 3.9 billion were held by the Fund. Out of which 66 percent of the shares held are public and therefore tradable at the Dar es Salaam Stock Exchange, (DSE). Investment in equities during the year under review remained unchanged, as there was no new listing at the DSE. The Fund is in favour of traded as opposed to non-traded shares and venture capital. Generally investment in equities remained restricted due to the infancy of the stock market. The Fund has been actively

involved in consultations with other stakeholders to find out ways of promoting additional listings at the DSE.

Investment Income

Investment income from the various Fund's investments as discussed above for the year 2001 is as shown in the table below (with comparative amounts for 2000) in TZS billion.

Table 1.4

Investment	2001		2000	
	Amount	%	Amount	%
Treasury bills	0.16	2.25	0.12	1.8
Government Stock/Bonds	11.1	15.63	1.51	22.2
Bank fixed deposit	1.47	20.70	0.82	12.1
Long term loans	0.01	0.14	1.02	15.0
Rental income	3.39	46.48	2.80	41.2
Dividend income	0.82	11.55	0.13	2.0
Staff Housing Scheme	0.02	0.28	0.02	0.3
Other investment	0.21	2.96	0.37	0.1
Total	7.19	100.00	6.79	100.0

On the whole, investment income of the Fund increased by 5 percent from TZS 6.79 billion in 2000 to TZS 7.1 billion in 2001. While there was a decrease in interest income from TZS 3.93 billion recorded in 2000 to 2.96 billion in 2001, the impact of the decrease in interest income on the total investment income was minimised by the simultaneous increase in rental and dividend income. Rent income rose by 18 percent from TZS 2.8 billion in 2000 to TZS 3.3 billion while dividend income rose by 530 percent from TZS 0.13 billion in 2000 to TZS 0.82 billion during the year under review.

CLAIMS

Parastatal sector reforms continued during the year under review resulting into further retrenchments of employees. The private sector was not spared either. Deaths on account of AIDS and AIDS related illnesses continued albeit at a slower rate than in the preceding year. These factors combined together with normal retirement claims led to an increase in benefit payments by 4 percent from TZS 15.8 billion in 2000 to TZS 16.5 billion in 2001. The increase in benefit payments during the period under review is lower than 30 percent increase recorded in the previous year. All claims were promptly processed and settled.

PERSONNEL

As at 31st December 2001 the Fund had a total manpower complement of 122 employees, following a retrenchment of 2 employees.

TRAINING AND EXPOSURE

The Fund continued to put considerable emphasis on the training and staff development. The Consultants who

conducted the diagnostic study of the Fund in 1998/99 also stressed this fact. It was planned that emphasis would be placed on in-house training programmes. In addition to such programmes some staff attended various training programmes both locally and abroad. In addition, one employee was pursuing a degree course at the University of Dar es Salaam and two others doing diploma courses at the Institute of Finance Management, more employees will be encouraged to take up long courses, so as to enhance their skills.

WORKERS' PARTICIPATION

As is usually the case, the PPF Workers' Council held two meetings to discuss issues of interest to employees and the Fund in general. Workers are always fully involved in discussing matters of interest and advising Management and the Board of Trustees.



Employees are seen in the picture attentively following proceeding of one of many meetings held as part of workers participation in governance of the Fund.

PRODUCTIVITY

Members of staff are required to work hard and observe discipline. They are also encouraged to be creative and innovative. The Fund's incentive scheme provides rewards for best workers from the various Directorates, Units and categories of staff.

PPF MEMBERS' SEMINAR

As has been the case since this occasion was launched, a very successful seminar was held at the Arusha International Conference Centre on 12th -14th December. This was the eleventh members' seminar and it was, as usual, well attended. The variety of papers presented at the seminar had an impact on the general understanding of the pension schemes and the related issues.



The Minister for Finance Mr. Basil Mramba (MP), exchanging ideals with members of the PPF Board of Trustees and Dr. Dau - Director General NSSF, just after he opened officially the 11th PPF Members Seminar held at AICC hall in Arusha. Far right is the Director General, Mr. Naftal Nsemwa, 2nd right is Trustee, Moses Kachima, Trustee Ramadhan Khijjah and Dr. Bertha Kado are see behind. First on the left is Trustee Aristablus Musiba Dr. Dau attended the seminar reprenting NSSF which is one of the corporate members of PPF. About 200 delegates attended the annual event held in December 2001.

CONCLUSION' "

Explaining the performance of the Fund for the year 2001 in terms of surplus realised, it was the best as it recorded the highest surplus since its establishment 23 years ago. This surplus has been realised despite the prevailing difficult economic conditions. It is prudent to admit that without the support and good will of the Fund's members (both employees and employers), the wise guidance of the Board of Trustees, and the commitment and dedication of Management and staff of the Fund, this success could not have been recorded.

Final but most important, PPF being the oldest and experienced contributory pension scheme in Tanzania will use the accumulated resources to channel them into investments that have direct impact on the community it serves without compromising its basic obligations of providing insurance against old age and disabling misfortunes. I urge all members current and prospective and the public at large to feel proud of being associated with a successful institution!

Let us share the wish for a secure future.

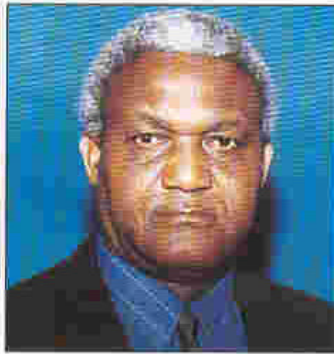
A handwritten signature in black ink, appearing to read "Naftal M. Nsemwa". The signature is written in a cursive style and is positioned above a vertical line.

Naftal M. Nsemwa
DIRECTOR GENERAL

REPORT OF THE TRUSTEES

The Trustees are pleased to present their report together with the Financial statement for the year ended 31st December, 2001 in accordance with section 14(3) of the Parastatal Act (No.14) of 1978.

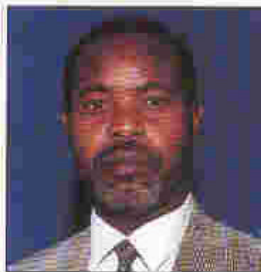
1.0 MEMBER OF THE BOARD OF TRUSTEES



Mr. Peter Ngumbullu
CHAIRMAN



Mrs. Tabitha Siwale
TRUSTEE



Mr. Ramadhani Khijah
TRUSTEE



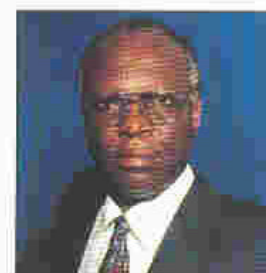
Mr. Aristabulus Musiba
TRUSTEE



Mr. Moses T. Kachima
TRUSTEE



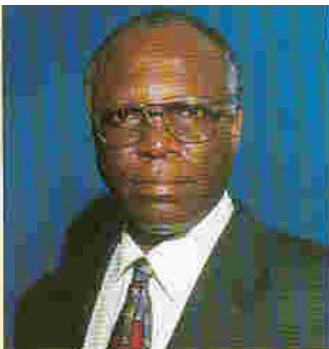
Dr. Bertha Koda
TRUSTEE



Mr. Naftal Nsemwa
TRUSTEE/
DIRECTOR GENERAL

2.0 MAAGEMENT OF THE FUND

Management of the Fund comprises the Director General who is a Chief Executive Officer, four directors and three heads of units.



Mr. Naftal Nsemwa
DIRECTOR GENERAL



Mr. Edward Chiombola
Director of Planning &
Investments



Mr. Badru Msangi
Director of Member
Services



Mr. Daniel Magwiza
Director of Manpower
Development &
Administration



Mr. Martin Mmari
Ag. Director of Finance



Mr. Yusuf Ngororo
Chief Information Officer



Mr. Hosea Kashimba
Ag. Chief Internal Auditor



Mr. William Erio
Fund Secretary

3.0. BOARD OF TRUSTEES' RESPONSIBILITIES

The Trustees are required by the Parastatal Pensions Act (No.14) of 1978 to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Fund as at the end of the financial year and of the income and expenditure of the Fund for the period.

The Trustees confirm that suitable accounting policies have been used and applied consistently and reasonably and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st December, 2001. The Trustees also confirm that applicable accounting 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, for safeguarding the assets of the Fund and, hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

4.0 MAIN ACTIVITIES OF THE FUND

The Parastatal Pensions Fund was established by the Parastatal Pensions Act (No.14) of 1978. The Fund currently offers two products, namely, the contributory pension scheme with defined benefits as the main product and the deposit administration scheme. The two schemes cover employees of both the parastatal and the private sectors.

5.0 SUMMARY OF OPERATION

INCOME	2001	2000
	TZS.	TZS.
	(Billions)	(Billions)
Contributions	31.517	27.646
Interest and Dividends	3.714	3.930
Others	6.239	5.287
TOTAL INCOME	41.470	36.863
EXPENDITURE		
Benefits to Pensioners	16.566	15.832
Audit Fees and Expenses	0.014	0.011
Directors' Fees	0.009	0.008
Operations and Administrative Expenses	4.848	4.179
Bank Charges	0.296	0.222
Provision for Probable Losses	1.877	4.540
Diminution in Share Value	-	0.867
Depreciation	0.784	0.747
TOTAL	24.394	26.409
SURPLUS BEFORE TAX	17.086	10.454
Less: Tax on Investment Income	1.304	1.582
SURPLUS TRANSFERRED TO THE ACCUMULATED FUND	15.771	8.872
SIZE OF THE ACCUMULATED FUND	107.703	91.931

6.0 ACTUARIAL VALUATION

Pursuant to section 16(1) of the Parastatal Pensions Act, (No.14) of 1978, at least every five years an actuarial valuation is supposed to be carried out on the Fund to determine sufficiency of funds to support accrual of, benefits of members due for retirement. The last actuarial valuation of the Fund was carried out as at 31st December, 1993 by professional valuers M/s Hymans Robertson Consulting Actuaries Ltd. of Nairobi, Kenya.

The valuation resulted into an excess of assets over accrued liabilities amounting to TZS. 1.299 billion arrived at as follows:- "

Accrued Liabilities	TZS. (billion)
Value of:	
Pensions in Payment	0.700
Past Service Pension Benefits for Active Members	
Based on Projected Earnings	19.286
Total Past Service Liability	19.986
Assets	
Value of Existing PPF Assets	21.285
Excess of Assets Over Accrued Liabilities	1.299

The Fund during the year commissioned M/s Hymans Robertson consulting Actuaries Ltd. valuation for which a final report is expected by mid 2002.

7.0 ADMINISTRATIVE EFFICIENCY

(i) The Fund has no borrowed loan capital and consequently no interest charges have accrued against the Fund;"

All statutory payments such as PAVE, pension contributions and other statutory deductions effected from staff salaries were made promptly to the relevant authorities. All properties of the Fund have requisite certificates of ownership and are adequately insured. No loss of assets was sustained during the year under review.

(ii) The existing management systems are invariably complied with. This has resulted in smooth operations of the Fund.

(iii) The Fund had a total manpower complement of 119 employees as at 31st December, 2001.

8.0 LIQUIDITY

The Fund is liquid as current assets adequately cover current liabilities. The Fund settled all without borrowing or selling investments.

9.0 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

10. EMPLOYEES WELFARE

Management/Employees Relationship

The relationship between management and staff is cordial. There were no unresolved compl management from the employees during the year.

Training Facilities

The Fund strives to provide training to all it\$ employees on *and* when it identifies a necessity.

Medical Assistance

The Fund pays a monthly medical allowance and meets in-patient medical expenses of its employees and their immediate dependants.

Financial Support

Loans, salary advances and other financial assistance are available to all confirmed employees depending on the assessment of the management as to the need and circumstances and ability to make repayments.

11. DISABLED PERSONS

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

12. BOARD OF TRUSTEES MEETINGS

The Board of Trustees held all statutory meetings in line with the first schedule to the Parastatal Pensions Act (No.14) of 1978.

13. AUDITORS

Tanzania Audit Corporation were the auditors of the fund for the financial year ended 31st December, 2001. **BY**

ORDER OF THE BOARD



.....

CHAIRMAN

Date: 20th APRIL 2001



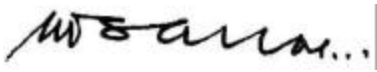
PPF Board of Trustees in group with H.E President Benjamin Mkapa and Minister for Finance, Hon, Nasil Mramba, far right from left to right are Trustees Aristabulus Musiba, Mrs. Tabitha Siwale, Dr. Bertha Koda, Mr. Naftal Nsemwa (Director General), Mr. Peter Ngumbulu(Board Chairman) and Moses Kachima.

REPORT OF THE AUDITORS

As Auditors appointed under Section 14 (2) of the Parastatal Pensions Act, 1978, we have examined the attached Balance Sheet of Parastatal Pensions Fund as at 31st December, 2001, the related Income and Expenditure Account and the Cash Flow Statement for the year ended on that date. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures, as we considered necessary.

In our opinion, the accompanying Balance Sheet, Income and Expenditure Account and the Cash Flow Statement present fairly the financial position of Parastatal Pensions Fund as at 31st December, 2001, its surplus and cash flows for the year ended on that date.

TANZANIA **AUDIT** CORPORATION



S.F SAYORE - FCCA
DIRECTOR GENERAL

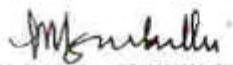
DAR ES SALAAM

DATE: 12TH APRIL, 2002

BALANCE SHEET AS AT 31ST DECEMBER, 2001

ASSETS EMPLOYED	NOTE	31.12.2001 TZS.	31.12.2000 TZS.
FIXED ASSETS (NET)	2	35,048,344,888	49,626,383,024
INVESTMENT PROPERTIES	3	20,425,133,320	5,346,808,627
INVESTMENTS - OTHERS	4	7,479,937,600	6,974,437,600
EQUITY INVESTMENTS	5	3,891,424,084	3,814,330,804
LONG TERM LOANS	6	923,280,642	1,156,245,344
		<u>67,768,120,534</u>	<u>66,918,205,399</u>
CURRENT ASSETS			
Cash and Bank Balances		1,148,364,896	1,735,827,609
Stationery and Other Stocks		104,765,096	125,235,371
Short Term Investments	7	31,085,427,614	17,788,710,440
Debtors and Prepayments	8	10,261,858,033	9,167,829,082
Current Maturity of Long Term Loans	9	76,851,916	72,660,839
		<u>42,677,267,555</u>	<u>28,890,263,341</u>
LESS: CURRENT LIABILITIES			
Creditors and Accruals	10	1,277,744,209	1,586,056,302
Unclaimed Payments		575,786,316	412,247,090
Outstanding Claims Payable	11	888,392,453	1,878,460,584
		<u>2,741,922,978</u>	<u>3,876,763,976</u>
NET CURRENT ASSETS		39,935,344,577	25,013,499,365
TOTAL ASSETS		<u>107,703,465,111</u>	<u>91,931,704,764</u>
FINANCED BY			
ACCUMULATED FUND	12	105,963,882,331	90,192,121,984
STAFF HOUSING SCHEME	13	995,900,000	995,900,000
REVALUATION RESERVE - INVESTMENT PROPERTIES		743,682,780	743,682,780
TOTAL		<u>107,703,465,111</u>	<u>91,931,704,764</u>

NOTES 1 TO 20 FORM PART OF THE ACCOUNTS



CHAIRMAN



TRUSTEE



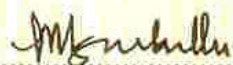
DIRECTOR GENERAL

DATE: 20th APRIL, 2002

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER

INCOME	NOTE	2001 TZS.	2000 TZS.
Contributions	14	31,517,057,782	27,646,165,474
Dividend Income		821,302,600	131,701,610
Interest Income	15	2,892,348,940	3,930,624,565
Penalty on Delayed Contributions		2,075,802,620	2,181,014,604
Gain/(Loss) in Foreign Exchange		741,893,533	81,254,229
Gain on Disposal of Fixed Assets		-	57,104,764
Other Income		30,915,340	38,051,357
Rental Income		3,391,211,695	2,797,291,714
TOTAL INCOME		<u>41,470,532,510</u>	<u>36,863,208,317</u>
LESS: EXPENDITURE			
Benefits to Pensioners	16	16,565,847,030	15,832,557,450
Audit Fees and Expenses		13,550,000	11,000,000
Operations and Administrative Expenses	17	4,848,513,650	4,179,116,598
Directors Fees		9,000,000	8,400,000
Bank Charges		296,176,867	222,788,040
Provision for Probable Losses		1,877,122,082	4,540,725,376
Diminution in Value of Shares		-	867,235,000
Depreciation		783,883,707	747,284,687
TOTAL EXPENSES		<u>24,394,093,336</u>	<u>26,409,107,151</u>
SURPLUS BEFORE TAX		<u>17,086,439,174</u>	<u>10,454,101,166</u>
Less: Tax on Investment Income		1,304,678,827	1,582,014,996
NET SURPLUS/(DEFICIT) FOR THE YEAR			
TRANSFERRED TO ACCUMULATED FUND		<u>15,771,760,347</u>	<u>8,872,086,170</u>

NOTES 1 TO 20 FORM PART OF THE ACCOUNTS



CHAIRMAN



TRUSTEE



DIRECTOR GENERAL

DATE: 20th APRIL, 2002

CHART FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2001

CASH FLOWS FROM OPERATING ACTIVITIES	2001 TZS.	2000 TZS.
Receipts from Contributions	29,872,470,573	27,247,977,584
Receipts from Penalties	572,400,482	220,029,718
Withdrawals/Surrenders	(206,031,337)	(194,354,635)
Death Benefits	(2,357,201,755)	(1,914,004,121)
Commuted Pensions	(5,842,980,902)	(5,561,678,746)
Pension Expenses	(8,008,062,891)	(6,385,958,806)
Gratuity Benefits	(838,230,729)	(721,584,913)
Refund of Contributions	(60,269,594)	(163,207,140)
Operations and Administrative Expenses	(5,483,308,027)	(3,548,173,593)
Deposit Administration	(316,305,657)	(169,979,422)
Other Income	30,915,340	38,051,357
Tax on Investment Income	(1,304,678,827)	(1,309,085,583)
Operating Surplus/(Deficit) Before Changes in Working Capital Items	6,058,716,676	7,538,031,698
(Increase)/Decrease in Stationery and Other Stocks	20,470,275	46,990,092
(Increase)/Decrease in Debtors and Prepayments	1,020,186,740	(1,627,684,665)
(Increase)/Decrease in Creditors	7,755,417	(492,652,955)
Increase/(Decrease) in Unclaimed Payments	163,539,226	156,097,065
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	7,270,668,334	5,620,781,235
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from Investment Income	2,775,178,287	3,176,386,108
Receipts from Redemption of Government Stocks and Bonds	(1,544,474,000)	3,562,400,000
(Investment)/Redemption of EADB Bond	748,500,000	151,500,000
Dividend Received	821,302,600	131,701,610
Disposal of Fixed Assets	-	349,695,230
Bank Income	2,678,550,626	2,797,291,714
Acquisition of Fixed Assets	(1,284,170,264)	(2,600,513,995)
Acquisition of Equity Assets	(77,093,280)	(2,038,910,972)
Issue of Long Term Loans of Commercial Paper	288,424,625 768,087,671	140,978,360 (768,087,671)
Acquisition of T/Bills	1,519,560,064	(832,050,964)
Investment/(Redemption) of Fixed Deposits	(15,293,890,909)	(8,084,586,991)
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(8,600,024,580)	(4,014,197,571)
Net Cash Flows Before Adjustments for the Effects of Foreign Exchange Rates Changes (A + B)	(1,329,356,246)	1,606,583,664
Effect of Exchange Rate Changes in Cash and Cash Equivalents	741,893,533	81,254,229
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(587,462,713)	1,687,837,893
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,735,827,609	47,989,716
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,148,364,896	1,735,827,609

NOTES 1 TO 20 FORM PART OF THE ACCOUNTS


.....
CHAIRMAN


.....
TRUSTEE


.....
DIRECTOR GENERAL

DATE: 20th APRIL, 2002.

NOTES ON THE ACCOUNTS

NOTE1: PRINCIPAL POLICIES

1.1 Basis of Accounting

The accounts of the Fund have been prepared on the basis of the historical cost convention.

No adjustments have been made for inflationary factors affecting the accounts except for revaluation of investment buildings (Note 1.4).

1.2 Fixed Assets

Pursuant to the Fund's existing policy, fixed assets are stated in the Balance Sheet at cost net of depreciation. Investment properties, however, are treated differently as per Note 1.4 below.

1.3 Depreciation of Fixed Assets

Depreciation on fixed assets is calculated on a straight line basis so as to write off the cost over the economic useful lives of the assets. The rates of depreciation applied on respectively categories of fixed assets and which are consistently used are as follows:-

Particulars	Annual Rate
	%
Motor Vehicles	25.0
Equipment	20.0
Computer Hardware	33.3
Furniture and Fittings	20.0
Buildings	4.0

Full year's depreciation is charged in the year of acquisition and no depreciation in the year of disposal.

No depreciation is charged on investment properties.

1.4 Investment Properties (Buildings)

Investment properties (buildings) are included in the balance sheet at their open market values. Property valuation is carried out at least after every three years. Valuation for the PPF House and Msasani Flats was made on 31st December, 1997 by the University College of Lands and Architectural Studies. The valuation resulted in a surplus of TZS. 743,682,780. The surplus in the value of these properties has been credited to revaluation reserve -Investment properties.

NOTE 1: PRINCIPAL ACCOUNTING POLICIES (COT'D)

1.5 Investment -Others/Equity Investments

Investment -others comprise of investments in debt securities mainly made of government stocks and bonds and other institutional bonds whereas equity investments comprise of share holdings in quoted and unquoted companies. Investments in equity in companies listed on the Dar es Salaam Stock Exchange are reflected in the balance sheet at the lower of cost and net market value, determined on a portfolio basis. All other investments are disclosed in the accounts at cost since there is no system of determining their market values. However, provision for permanent diminution in value of equity investments in such unlisted companies is provided in the accounts based on proportionate of net assets of investee company.

1.6 Provision for Bad and Doubtful Debts

Pursuant to the Fund's provisioning policy, provision for bad and doubtful debts at the rate of 100% is made on specific debts considered doubtful of recovery as specified hereunder:-

(i) Debts for contributions receivable and debtors outstanding for over two years. (ii) Debts for penalty receivable outstanding for over one year.

(iii) Debts for term loans outstanding for one year after the grace period.

(iv) Outstanding rent receivable provisioned when in the opinion of management collection is considered doubtful. As such provision is set aside when tenants have left Fund's premises without honouring their obligations or when rent remain outstanding for more than one year and the tenant is occupying Fund's premises in which case the entire rent outstanding is provisioned for tenants who show indication of unwillingness to settle their dues.

1.7 Stock Valuation

Stationery stocks are valued at the lower of purchase cost and net realizable values. The basis of valuation is based on FIFO method.

1.8 Foreign Currency Translations

Assets and liabilities designated in foreign currencies are translated into Tanzanian shillings at the exchange rates ruling on the Balance Sheet date. Exchange gains and/or losses arising thereof are dealt with in the Income and Expenditure Account.

Day to day transactions entered into foreign currencies are translated into Tanzanian shillings at the exchange rates ruling on the dates of the transactions. Exchange gains and/or losses arising thereon are taken into account in determining the amount of surplus or deficit for the year.

NOTE1: PRINCIPAL ACCOUNTING POLICIES (COT'DJ)

1.9 Penalty Receivable

In accordance with Section 9 (1) of the Parastatal Pensions Act (No.14) of 1978, an employer failing to remit to the Fund the whole or any part of the contributions required to be remitted under Section 9 (2) within 30 days after the end of the month to which the contributions, both employers' and employees relate, a penalty equal to 5 percentum per month of the amount unremitted is levied. Provision for bad and doubtful debts is made in the accounts as per Note 1.6.

1.10 Accounting for Pension Contributions

Employers' and employees' contributions are accounted for on accrual basis. Contributions are accrued in the accounts based on the latest received particulars of members' contributions. Full provision for doubtful contributions is made in the accounts' as per Note 1.6 of the accounts to cover contributions outstanding for over two years.

1.11 Outstanding Claims Payable

The figure for outstanding claims payable is calculated taking into account the average' number of claims and the related amount settled during the most recent financial years including the financial year under audit on quarterly basis multiplied by the number of claims outstanding as at the year end.

1.12 Refund of Contributions

Refund of contributions represent amounts received but due to such contributions being considered invalid under the Parastatal Pensions Scheme are refunded to the contributors.

1.13 Actuarial Valuation of Parastatal Pensions Fund

Pursuant to section 16(1) of the Parastatal Pensions Act, (No.14) of 1978 at least every five years an actuarial valuation is supposed to be carried out on the Fund to determine sufficiency of funds to support accrual of benefits of members due for retirement. The last actuarial valuation of the Fund was carried out as at 31st December, 1993 by professional valuers M/s Hymans Robertson Consulting Actuaries Ltd. of Nairobi, Kenya.

The valuation resulted into an excess of assets over accrued liabilities amounting to TZS. 1.299 billion arrived at as follows:-

Accrued Liabilities	TZS. (billion)
Value of:	
Pensions in Payment	0.700
Past Service Pension Benefits for Active Members Based on Projected Earnings	19.286

Total Past Service Liability	19.986
Assets	
Value of Existing PPF Assets	<u>21.285</u>
Excess of Assets Over Accrued Liabilities	<u>1.299</u>

NOTE2: FIXED ASSETS

PARTICULARS	MOTOR VEHICLES	EQUIPMENT	COMPUTER HARDWARE	FURNITURE & FITTINGS	BUILDINGS	LEASEHOLD LAND	SUB-TOTAL	CAPITAL WORK IN PROGRESS	GRAND TOTAL
	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.
COST AS AT 01.01.2001	126,620,082	1,050,427,151	426,331,329	1,481,681,474	4,768,104,756	2,636,073,537	10,489,238,329	42,014,047,949	52,503,286,278
ADDITIONS DURING THE YEAR	69,373,880	56,953,858	2,181,491	18,022,148	29,490,000	-	176,021,377	1,108,148,887	1,284,170,264
SUB-TOTAL	195,993,962	1,107,381,009	428,512,820	1,499,703,622	4,797,594,756	2,636,073,537	10,665,259,706	43,122,196,836	53,787,456,542
LESS: DISPOSAL/ ADJUSTMENTS DURING THE YEAR	-	-	-	-	-	-	-	(15,078,324,693)	(15,078,324,693)
COST AS AT 31.12.2001	195,993,962	1,107,381,009	428,512,820	1,499,703,622	4,797,594,756	2,636,073,537	10,665,259,706	28,043,872,143	38,709,131,849
ACCUMULATED DEPRECIATION AS AT 01.01.2001	97,161,533	756,136,630	388,485,039	789,044,236	846,075,816	-	2,876,903,254	-	2,876,903,254
CHARGE FOR THE YEAR	44,662,624	225,474,845	25,601,772	297,420,274	190,724,192	-	783,883,707	-	783,883,707
ACCUMULATED DEPRECIATION AS AT 31.12.2001	141,824,157	981,611,475	414,086,811	1,086,464,510	1,036,800,008	-	3,660,786,961	-	3,660,786,961
NET BOOK VALUE AS AT 31.12.2001	54,169,805	125,769,534	14,426,009	413,239,112	3,760,794,748	2,636,073,537	7,004,472,745	28,043,872,143	35,048,344,888
NET BOOK VALUE AS AT 31.12.2000	29,458,549	294,290,521	37,846,290	692,637,238	3,922,028,940	2,636,073,537	7,612,335,075	42,014,047,949	49,626,383,024

NOTE 4:	INVESTMENTS - OTHERS	31.12.2001	31.12.2000
		TZS.	TZS.
	Treasury Bonds	1,584,000,000	-
	EADB Bonds	748,500,000	1,497,000,000
	Special Govt. Bond 2005	3,000,000,000	3,000,000,000
	Government Stocks	2,147,437,600	2,477,437,600
	TOTAL	7,479,937,600	6,974,437,600

NOTE 5:	EQUITY INVESTMENTS		
	Tanzania Breweries Limited	1,396,315,354	1,396,315,354
	Tanzania Oxygen Limited	250,000,000	250,000,000
	Tanzania Cigarette Co. Limited	885,464,030	885,464,030
	Azania Bancorp Limited	1,150,000,000	1,150,000,000
	PTA Reinsurance Co. Limited	624,916,600	547,823,320
	Akiba Commercial Bank Ltd.	100,000,000	100,000,000
	CRDB Bank Limited	451,963,100	451,963,100
		4,858,659,084	4,781,565,804
	Less: Provision for Diminution in Value	967,235,000	967,235,000
	TOTAL	3,891,424,084	3,814,330,804

NOTE 6:	LONG TERM LOANS		
	Phantom Trading Company	386,524,600	439,080,600
	Mojata Company Limited	559,350,000	559,350,000
	Kijenge Animal Products	667,905,000	675,000,000
	Azania Bancorp Ltd.	200,000,000	200,000,000
	Staff Housing Loans	782,070,678	977,926,183
	Hon. F. Sumaye (MP)	18,061,880	50,980,000
	Sub-Total	2,613,912,158	2,902,336,783
	Less:		
	Current Maturity	1,632,298,182	1,087,083,101
	Sub-Total	981,613,976	1,815,253,682
	Less: Provision for Bad and Doubtful Debts	58,333,334	659,008,338
	TOTAL	923,280,642	1,156,245,344

NOTE 7:	SHORT TERM INVESTMENTS	31.12.2001	31.12.2000
		TZS.	TZS.
	Treasury Bills	459,490,901	1,979,050,965
	EADB Bonds	748,500,000	748,500,000
	Commercial Papers	-	768,087,671
	Government Stocks Due for Redemption	508,000,000	178,526,000
	Government Bond	-	39,000,000
	Bank Fixed Deposits	29,369,436,713	14,075,545,804
	TOTAL	31,085,427,614	17,788,710,440

NOTE 8:	DEBTORS AND PREPAYMENTS		
	Prepayments	122,795,779	168,883,332
	Penalty Receivable	9,517,550,534	8,014,148,397
	Contributions Receivable	6,532,643,413	4,815,024,501
	Rent Receivable	2,774,177,551	2,061,516,482
	Accrued Interest on Investments	780,473,696	983,992,003
	Interest Receivable	4,225,690,799	3,905,001,838
	Debtors - Others	3,064,992,883	4,092,725,806
		27,018,324,655	24,041,292,359
	Less: Provision for Probable Losses	16,756,466,622	14,873,463,277
	TOTAL	10,261,858,033	9,167,829,082

NOTE 9:	CURRENT MATURITY OF LONG TERM LOANS		
	Phantom Trading Company	386,524,600	352,413,934
	Mojata Company Limited	559,350,000	278,674,998
	Kijenge Animal Products	609,571,666	383,333,330
	Staff Housing Loans	68,206,604	64,180,839
	Hon. F. Sumaye (MP)	8,645,312	8,480,000
		1,632,298,182	1,087,083,101
	Less: Provision for Probable Losses	1,555,446,266	1,014,422,262
	TOTAL	76,851,916	72,660,839

NOTE 10:	CREDITORS AND ACCRUALS		
	Creditors	585,868,726	578,113,309
	Accrued Expenses	691,875,483	1,007,942,993
	TOTAL	1,277,744,209	1,586,056,302

NOTE 11:	OUTSTANDING CLAIMS PAYABLE	31.12.2001	31.12.2000
		TZS.	TZS.
	Death Benefits	331,474,674	388,342,185
	Withdrawals and Surrenders	24,232,952	14,791,617
	Gratuity Payments	30,606,450	449,842,904
	Deposit Administration	12,323,597	484,800
	Commuted Pension	357,507,194	906,585,233
	Pension Payable	119,485,477	118,413,845
	Refund of Contributions	12,762,109	-
	TOTAL	888,392,453	1,878,460,584

NOTE 12:	ACCUMULATED FUND		
	Balance 1 st January, 2001	90,192,121,984	81,365,935,814
	Transfer to Staff Housing Scheme	-	(45,900,000)
	Net Surplus/(Deficit) for the Year	15,771,760,347	8,872,086,170
	Balance 31st December, 2001	105,963,882,331	90,192,121,984

NOTE 13: STAFF HOUSING SCHEME

The Staff Housing Scheme is a revolving fund established from internal sources of the Fund for the purpose of advancing loans to eligible staff for purchase of residential houses within Dar es Salaam.

	31.12.2001	31.12.2000
	TZS.	TZS.
Bank Balance	246,967,833	184,331,919
House Repossessed	29,490,000	-
Receivable from the Fund	105,289,542	-
Loans to Staff	782,070,678	977,926,183
	1,163,818,053	1,162,258,102
Less: Interest Earned and Ploughed Back	167,918,053	166,358,102
TOTAL	995,900,000	995,900,000

NOTE 14:	CONTRIBUTIONS	2001	2000
		TZS.	TZS.
	Employers' Contributions	23,547,037,078	20,786,448,758
	Employees' Contributions	8,043,052,407	7,022,923,856
		31,590,089,485	27,809,372,614
	Less: Refund of Contributions	73,031,703	163,207,140
	TOTAL	31,517,057,782	27,646,165,474

NOTE 15:	INTEREST INCOME	31.12.2001	31.12.2000
		TZS.	TZS.
	Government/Treasury Bonds/ Stocks	1,035,921,911	1,514,388,292
	Treasury Bills	162,605,644	196,827,093
	Long Term Loans	10,907,249	1,018,410,572
	Staff Housing Scheme	2,221,491	18,823,724
	Bank Fixed Deposits	1,470,902,748	815,422,135
	Other Investments (EADB/Commercial Papers)	209,789,897	366,752,748
	TOTAL	2,892,348,940	3,930,624,565
NOTE 16:	BENEFITS TO PENSIONERS		
	Withdrawals/Surrender Claims	215,472,672	186,744,454
	Death Benefits	2,300,334,244	2,169,718,580
	Pension Benefits	8,008,998,523	6,415,380,839
	Gratuity Benefits	418,994,275	943,347,578
	Commuted Pensions	5,293,902,863	5,946,901,777
	Deposits Administration	328,144,453	170,464,222
	TOTAL	16,565,847,030	15,832,557,450
NOTE 17:	OPERATIONS AND ADMINISTRATIVE EXPENSES	2001	2000
		TZS.	TZS.
	Basic Salary	928,263,337	975,292,488
	Medicare Allowances	53,483,161	35,539,173
	Travelling on Duty - Abroad	1,132,869	42,725,089
	Travelling on Duty - Local	213,665,538	147,253,636
	Motor Vehicles Running and Maintenance	21,682,968	19,435,622
	Leave Passages	14,202,866	13,279,396
	Pension Contributions (PPF Staff)	130,188,290	135,232,090
	Printing and Stationery	71,500,564	68,466,874
	Publicity and Advertising	113,232,940	155,699,657
	Investment Consultancy Fees	352,825,094	57,903,661
	Consultancy Fees and Expenses	601,751,704	173,168,654
	Professional Fees and Subscriptions	1,821,070	1,080,484
	Books, Periodicals and Newspapers	5,614,192	6,066,330
	Board Meeting Expenses	63,196,000	51,495,266
	Annual Party	-	293,082
	Workers' Council	16,580,400	25,808,683
	May Day Award and OTTU Expenses	5,850,800	8,784,900
	PPF Members Seminar	34,849,077	20,173,325
	Legal Expenses	36,202,191	16,621,667
	Seminars, Conferences and Study	292,324,463	127,776,944
	Purchases of Small Items	8,530,658	6,128,496
	Skills and Development Levy	67,499,717	65,461,705

NOTE 17: OPERATIONS AND ADMI. EXPENSES (CONT'D)	2001	2000
	TZS	TZS
Staff Training	114,903,877	34,562,951
Cash Conveyance	1,748,000	1,221,000
Terminal Benefits	414,672,890	807,323,194
Staff Insurance	600,000	6,610,113
Office Tea	11,606,933	10,983,349
Staff Welfare and Long Service Awards	13,309,000	22,702,000
Residential Rent	-	4,646,000
Repairs and Renewals (Equipment)	49,079,200	29,999,795
Repairs and Renewals (Buildings)	60,228,860	112,382,979
Computer Running & Maintenance	53,449,834	22,859,932
Water and Electricity	140,442,986	192,905,666
House Keeping (Tools and Cleaning)	286,153,946	147,402,358
Property Insurance	139,878,814	29,476,703
Property Security Expenses	175,577,620	264,719,055
Postage, Telex, Fax and Telegrams	5,406,900	4,785,752
Telephone Services	74,074,940	72,116,765
Rates and Taxes	33,165,766	125,255,639
Recruitment Expenses	1,149,750	1,100,000
House Maintenance Allowance	207,590,250	130,780,000
City Service Levy	8,136,960	2,911,125
Staff Uniform	391,500	685,000
Entitled Officers Furniture Allowance	7,440,000	-
Opening of PPF Tower Expenses	5,318,500	-
Generator Running and Maintenance Expenses	9,789,225	-
TOTAL	4,848,513,650	4,179,116,598

NOTE 18: CAPITAL COMMITMENTS

As at the balance sheet date capital commitments for capital work in progress on investment buildings stood at TZS. 666,257,931 for which no provision has been made in the accounts. During the year under review the Board of Trustees has authorized capital expenditure on investment buildings amounting to TZS. 1,920,000,000. There was no uncommitted amount for investment buildings as at the balance sheet date.

NOTE 19: CONTINGENT LIABILITIES

The Fund had no contingent liabilities as at the year-end.

NOTE 20: COMPARATIVE FIGURES

Previous year's figures have been regrouped whenever considered necessary in order to make them comparable with those of the current year.

