

**UMOJA UNIT TRUST SCHEME  
(UMOJA FUND)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

## **UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

### **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### GENERAL INFORMATION

#### The Board of Directors of the Fund Manager

The Directors holding office during the year and as at the date of this report are as follows;

<b>Name</b>	<b>Position</b>	<b>Gender</b>	<b>Appointed on</b>
Prof. Faustin Rweshabura Kamuzora	Chairman	Female	04 August 2024
Casmir Sumba Kyuki	Chairman*	Male	05 August 2021
Dr. Judika Loti King'ori	Member**	Female	29 July 2022
Paul Andrew Maganga	Member**	Male	29 July 2022
David Emmanuel Mwankenja	Member**	Male	29 July 2023
Neema Julie Jones	Member**	Female	29 July 2022
Migangala Simon Milenge	Managing Director***	Male	05 October 2021

\* Retired on 04 August 2024

\*\* Re-appointed on 29 June 2025

\*\*\* Re-appointed on 04 October 2024

#### **Fund Manager**

UTT Asset Management and Investor Services Plc.  
2<sup>nd</sup> Floor, Sukari House  
Sokoine Drive/Ohio Street  
P. O. Box 14825  
Dar es Salaam

#### **Custodian**

CRDB Bank Plc  
CRDB Headquarters  
Plot No. 25/26, Ali Hassan Mwinyi Road & Plot No. 21 Barack Obama Road  
P. O. Box 268 & 11101  
Dar es Salaam

#### **Auditor**

KPMG  
2nd Floor, The Luminary  
Haile Selassie Road, Masaki  
P. O. Box 1160  
Dar es Salaam  
TIN 101-269-027, VAT REG No. 10-007190R  
NBAA Reg. No. PF 020

#### **Advocate**

UTT Asset Management and Investor Services  
Sukari House 2<sup>nd</sup> Floor  
Sokoine Drive/Ohio Street  
P. O.Box 14825  
Dar es Salaam, Tanzania

## **UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

### **REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR THE YEAR ENDED 30 JUNE 2025**

The Board of Directors of UTT Asset Management and Investor Services Plc (“UTT AMIS”), hereinafter also referred to as the “Fund Manager”, presents the report of Umoja Unit Trust Scheme (hereinafter also the “Fund” or “Scheme”) together with the audited financial statements for the year ended 30 June 2025, which disclose the financial performance for the year and state of affairs of the Fund as at that date. This report is an equivalent of The Report of Those Charged with Governance required by Tanzania Financial Reporting Standards No.1 (TFRS 1).

#### **1 Establishment and management of the Fund**

Umoja Unit Trust Scheme (Umoja Fund) is a collective investment scheme formed by the Unit Trust of Tanzania (UTT), a government sponsored institution that was incorporated on 19 June 2003 under the Trustees Incorporation Act. The main objectives of UTT include establishing, launching and management of collective investment schemes.

The Fund was established in Tanzania under the Deed of Trust of the Umoja Unit Trust Scheme, on 12 May 2005 and is regulated by Capital Markets and Securities (Collective Investment Schemes) Regulations 1997, prescribed under the Capital Markets and Securities Act, Cap. 79.

The Fund is managed by UTT AMIS – formerly Unit Trust of Tanzania, who set up a management structure to carry out the day-to-day operations of the Fund. The duties of the Fund Manager and the Trustee/Custodian are specified in Sections 4.0 and 5.4 of the Offer Document respectively. The Offer Document sets forth concisely, the information about the scheme that a prospective investor ought to know about the Fund. It also contains information about the rights and obligations of the Fund Manager and Trustee/Custodian to the Fund.

The Custodian of the Fund is CRDB Bank Plc, a commercial bank licensed to carry out banking business under the Banking and Financial Institutions Act, 2006. The duties of the Custodian are specified in Section 5.4 of the Offer Document.

#### **2 Fund Manager’s Vision and Mission**

##### **Vision Statement**

Continue being the most trusted and accessible investment partner that makes a difference to peoples’ lives.

##### **Mission Statement**

To offer people-oriented innovative products, providing comparatively superior returns and achieving high service standards that meet and exceed stakeholders’ expectations.

##### **Core Values**

- i) Transparency: we ensure transparency in all of our dealings;
- ii) Honesty and Integrity: we uphold high standards of honesty and integrity;
- iii) Work principles: we work together as a team to deliver value to our investors;
- iv) Respect: we value all people equally and treat them fairly;
- v) Performance: we work hard to deliver high performance and quality products; and
- vi) Social responsibility: we are socially responsible. We do our best to contribute to social order and development.

#### **3 Principal activities and investment objectives**

The principal activity of the Fund is to invest the pooled funds into a balanced portfolio that enables both high and low income investors to diversify risk and obtain competitive returns over the medium and long term through capital growth.

The main objective of the Fund is to empower Tanzanians and other investors through wide ownership of its units and encourage a culture of savings in financial assets. It also gives Tanzanians an opportunity to acquire a stake in privatisation, further participate in the capital markets and obtain a good return on their investment.

#### **4 Business Model**

The Scheme has been structured in a way that provides opportunities for both low and high income potential investors, be individuals as well as corporate bodies and formalized community-based organizations to participate.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 5 Solvency

The Fund's state of affairs as at 30 June 2025 is set out on page 14 of these financial statements. The Fund Manager considers the Fund to be solvent.

The Board of Directors of the Fund Manager confirms that IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) have been followed and that the financial statements have been prepared on a going concern basis with a reasonable expectation that the Fund has adequate resources to continue its operational existence at least for the next twelve months from the date of approval of these financial statements.

#### 6 Financial performance during the year

The financial performance of the Fund for the year is set out on page 13 of these financial statements.

#### 7 Sale and re-purchase of units of the Fund

From 1 August 2006, the Fund commenced sale and re-purchase of units. The sale and re-purchase prices are based on the prevailing Net Asset Value (NAV) per unit on the date of the transaction.

#### 8 Investment policy

The profile of the Fund's investment is a balanced portfolio. The Fund invests in ordinary shares listed at the Dar es Salaam Stock Exchange or other stock exchanges provided that the amount invested in this market segment does not exceed 50% of the total investments. The balance is invested in Government instruments of various maturities, corporate bonds as well as deposit accounts.

Change in investment pattern is subject to Capital Market and Securities Regulation. The Fund's assets allocation pattern may change from time to time based on the view of the market conditions, market opportunities, applicable regulations, political and economic factors. The intention is to protect the interest of the unit holders at all times. The Fund is not permitted to undertake any borrowings.

#### 9 Investment options

The Fund offers one option aimed at serving various investment objectives suitable for investors of various profiles. The Fund offers; a growth option as follows:

- Under growth option no regular payments are made to the unit holders and instead, they enjoy the benefits of capital appreciation (if any) in the form of NAV appreciation.
- The unit holders under this option can exercise partial/ full repurchase of their units subject to fulfilling conditions as set for effecting any repurchase transaction under the Fund.

An income distribution option was initially introduced but withdrawn after one year of operation. The Fund may re-introduce the income distribution option, subject to approval from the authority and the Fund's Extraordinary General Meeting.

#### 10 Unit holders' capital

The Fund is authorized to issue unlimited number of units, the units were initially sold at TZS 100 per unit with a discount of 30% (TZS 70 per unit without any upfront entry load) and subsequent sale of units is done at prevailing Net Asset Value (NAV) without any exit load. The following is a summary of the Fund's unit capital transactions for the year;

	30 June 2025 Units	30 June 2024 Units
Opening balance as at 01 July	346,396,381	345,237,402
Sales of units made during the year	18,294,361	13,976,255
Repurchases of units made during the year	(33,133,146)	(12,817,276)
<b>Closing balance as at 30 June</b>	<b>331,557,596</b>	<b>346,396,381</b>

The net asset value is included under Key Performance Indicators disclosed in page 4 of this report.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 11 Principal risk and uncertainty

An investment in unit trust should be regarded as medium to long term investment. Investors should note that investments in the Fund are subject to market risks and the Net Asset Value (NAV) of the Fund may go up or down depending upon the factors and forces affecting the securities market. Past performance is not a guide to future performance.

#### 12 Key performance indicators of the Fund

The table below shows historical performance of the Fund for the last three years.

	30 June 2025	30 June 2024	30 June 2023
Net assets attributable to Unit holders (TZS'000)	395,654,082	365,163,559	325,429,839
Number of units	331,557,596	346,396,381	345,237,402
Net Asset Value (TZS)	1,193.32	1,054.18	942.63
Published Net Asset Value per unit (TZS)	1,177.66	1,039.09	926.94

The table below shows the highest issue price and the lowest redemption price of the units for the last ten years of the Fund's existence.

	2025 TZS	2024 TZS	2023 TZS	2022 TZS	2021 TZS
Highest issue price	1,177.66	1,039.34	928.79	833.62	740.00
Lowest redemption price	1,030.88	927.89	823.81	738.52	635.04

  

	2020 TZS	2019 TZS	2018 TZS	2017 TZS	2016 TZS
Highest issue price	636.44	584.76	584.76	510.84	481.86
Lowest redemption price	571.45	503.29	503.29	461.35	455.27

#### 13 Liquidity and cashflows of the Fund

The overall liquidity profile of the fund is reviewed and updated regularly. The liquidity profile considers investment, cash flow and market liquidity considerations.

Investment liquidity considerations include an assessment of asset class liquidity conditions, liquidity of underlying holdings, portfolio construction and concentration, the scale of individual stock ownership and the nature of the investment strategy.

Cash flow liquidity is managed by the fund on a daily basis using reports that include sales and repurchases of units information as well as the impact of trading, investment in equity, investment in government securities and corporate security activity. In addition to the daily reporting, the fund managers are provided with reporting on the prevailing net assets value.

Market (or distribution-related) considerations include an assessment of asset demand, fund growth, investors concentration and the persistency of the investors base.

Liquidity in funds is independently assessed and challenged through the internal governance process at Fund Manager. Liquidity is modelled and compared against potential liability scenarios such as severe repurchases of units.

#### 14 Corporate governance of the Fund

##### i) Fund Manager

The Fund is currently managed by UTT Asset Management and Investor Services Plc. (UTT AMIS). As the Fund Manager, UTT AMIS has set up a management structure to carry out day to day operations of the Fund.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 14 Corporate governance of the Fund (continued)

##### i) Fund Manager (continued)

###### Board of Directors of the Fund Manager

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 is in compliance with sound corporate governance principles.

The Board delegates the day-to-day management of the Fund to Managing Director assisted by senior management. Senior management are invited to attend board meetings and facilitate effective control of all the Fund's operational activities, acting as a medium of communication and coordination between all the various business units. During the year, the Board met four times.

The Fund is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency, and accountability.

The Board of Fund Manager has the following board sub-committees to ensure a high standard of corporate governance throughout the Fund. These are;

- Board Audit, Risk and Compliance Committee; and
- Board Investment Committee.

###### Board Audit, Risk and Compliance Committee

Name	Gender	Position
Dr. Judika Loti King'ori	Female	Chairperson
David Mwankenja	Male	Member
Daniel Olesumayan	Male	Member

###### Board Investment Committee

Name	Gender	Position
Paul Maganga	Male	Chairman
Neema Jones	Female	Member
Fortunatus Magambo	Male	Member
Lameck Kakulu	Male	Member

##### ii) Custodian

The Custodian of the Fund is CRDB Bank Plc, a commercial bank licensed to carry out banking business under the Banking and Financial Institutions Act, 2006. The Board of Directors of CRDB Bank Plc is made up of the following individuals.

Name	Gender	Position
Prof. Neema Munisi Mori	Female	Chairman
Dr. Donald Mmari	Female	Vice Chairperson
Abdulmajid Nsekela	Male	Group CEO and Managing Director
Miranda Naiman Mpogolo	Female	Director
Moses Wilson Dule	Male	Director
Jes Klausby	Male	Director
Grace Philotea Joachim	Female	Director
Abdul Ally Mohamed	Male	Director
Prof. Faustine Karrani Bee	Male	Director
Dr. Fredy Matola Msemwa	Male	Director
Dr. Judika L. King'ori	Female	Director
Gerald Paul Kassato	Male	Director

## **UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

### **REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

#### **15 Relationship with the stakeholders**

Relationships with our key stakeholders including our investors, suppliers, business partners, regulators and other service providers remained cordial throughout the year. A good relationship with key stakeholders remains the root of Fund Manager core values and belief.

#### **16 Related party transactions**

Details of transactions with related parties are disclosed in Note 18 to the financial statements.

#### **17 The Board of Directors of the Fund Manager**

Details of the Directors of the Fund Manager who held office during the year and up to the date of this report are found on page 1 of this report.

#### **18 Interest by the Directors of the Fund Manager in the units of the Fund**

Details of the units held by the non-executive Directors and senior employees of the Fund Manager are disclosed note 18 of the financial statements.

#### **19 Serious prejudicial matter**

There were no significant unfavourable matters as at the reporting date that can affect the Fund (2024: None).

#### **20 Environmental control program**

The Fund has established an Environmental Control Program (ECP) in line with CMSA requirements and the Environmental Management Act (Cap 191, R.E. 2022). The program integrates environmental risk assessment into investment decisions, favoring issuers with strong sustainability practices. It also promotes responsible operations through resource efficiency, digital processes to reduce paper use, and proper waste management.

The ECP is periodically reviewed to ensure continued compliance and improvement in environmental performance.

#### **21 Disabled persons**

The Fund Manager gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent and adequately meet the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where an existing employee becomes disabled, it is the Fund Manager's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

#### **22 Political and charitable donations**

No donations were made to any political or charitable institution during the financial year ended 30 June 2025 (2024: Nil).

#### **23 Responsibility of the auditor**

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

#### **24 Responsibilities of the Directors of Fund Manager**

The Directors of Fund Manager are responsible for the preparation of financial statements that give a true and fair view of the Fund for the year ended 30 June 2025 to the date of approval of the financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997. More details of the responsibilities of the directors are shown on page 8.



**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

**REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER  
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**25 Statement of compliance**

Directors of the Fund Managers are of the opinion that the Fund complied with all laws, regulations and guidelines affecting the Fund and its related operations.

The report of Directors of the Fund Manager has been prepared in full compliance with Tanzania Financial Reporting Standard No.1 (TFRS 1) the Report of Those Charged with Governance.

**By order of the Board**

\_\_\_\_\_  
Prof. Faustin Rweshabura Kamuzora  
**Chairman**

.....  
**Date**

\_\_\_\_\_  
Dr. Judika Loti King'ori  
**Director**

.....  
**Date**

## **UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

### **STATEMENT OF THE DIRECTORS OF THE FUND MANAGER'S RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2025**

The Fund Manager's Directors are responsible for the preparation of financial statements that give a true and fair view of Umoja Unit Trust Scheme (Umoja Fund) ("the Fund"), comprising the statement of financial position as at 30 June 2025 and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997.

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

The Fund Manager's Directors have made an assessment of the ability of the Fund to continue as a going concern and have no reason to believe that the Fund will not be a going concern in at least next twelve months from the date of approval of these financial statements.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

#### **Approval of financial statements**

The financial statements of Umoja Unit Trust Scheme (Umoja Fund), as identified in the first paragraph, were approved and authorized for issue by the Fund Manager's Board of Directors on ..... and signed by:

\_\_\_\_\_  
Prof. Faustin Rweshabura Kamuzora  
**Chairman**

\_\_\_\_\_  
Dr. Judika Loti King'ori  
**Director**

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### DECLARATION OF THE HEAD OF FINANCE OF THE FUND MANAGER FOR THE YEAR ENDED 30 JUNE 2025

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

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors of the Fund Manager as under Directors' Responsibilities Statement on page 8.

I **Joan Msofe** being the Head of Finance of the Fund Manager (UTT AMIS) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements of Umoja Unit Trust Scheme (Umoja Fund) comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

.....  
**Signed by:** ACPA Joan Msofe

**Position:** Director of Finance and Planning

**NBAA Membership No:** ACPA1675

**Date:** .....

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF UMOJA UNIT TRUST SCHEME (UMOJA FUND)

#### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the financial statements of Umoja Unit Trust Scheme (Umoja Fund) ("the Fund") set out on pages 13 to 44, which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997.

##### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

##### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in *Umoja Unit Trust Scheme (Umoja Fund) Annual Report and Financial Statements for the year ended 30 June 2025*, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF UMOJA UNIT TRUST SCHEME (UMOJA FUND) (CONTINUED)

#### Report on the Audit of the Financial Statements (Continued)

##### *Responsibilities of the Directors of the Fund Manager for the Financial Statements*

The Directors of the Fund Manager are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997, and for such internal control as the Directors of the Fund Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors of the Fund Manager are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Fund Manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

## **UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF UMOJA UNIT TRUST SCHEME (UMOJA FUND) (CONTINUED)**

#### **Report on the Audit of the Financial Statements (Continued)**

##### *Auditor's Responsibilities for the Audit of the Financial Statements (Continued)*

We communicate with the Directors of the Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Directors of the Fund Manager, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997 we report to you, solely based on our audit of financial statements, that:

- in our opinion, the financial statements of the Fund have been properly prepared in accordance with the requirements of the regulations;
- all persons involved with the conduct and operation of the Fund have acted properly and in accordance with the requirements of the regulations;
- proper books and records have been kept by the Fund and the accounts are in agreement with the accounting records of the Fund;
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- directors of the Fund Manager's report is consistent with the financial statements.

**KPMG**  
**Certified Public Accountants (T)**

\_\_\_\_\_  
**Signed by: CPA Frank Mboya (ACPA 3730)**  
**Dar es Salaam**

**Date .....**

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 TZS'000	2024 TZS'000
Investment income	5	38,745,647	31,867,056
Net gain from financial instruments	7	10,374,710	7,066,349
Other income	8	<u>8,733,197</u>	<u>9,525,199</u>
<b>Total income</b>		<b>57,853,554</b>	<b>48,458,604</b>
Management fees	18(a)	(6,741,460)	(6,138,653)
Custodian fees		(374,526)	(341,036)
Agent commission		(2,151,378)	(2,069,292)
Audit fees		(25,673)	(33,035)
Other charges	9	<u>(868,874)</u>	<u>(822,852)</u>
<b>Total expenses</b>		<b>(10,161,911)</b>	<b>(9,404,868)</b>
<b>Increase in net assets attributable to unit holders before tax</b>		<b>47,691,643</b>	<b>39,053,736</b>
Withholding tax expense	10	<u>(826,068)</u>	<u>(453,830)</u>
<b>Increase in net asset attributable to unit holders, net of tax</b>		<b>46,865,575</b>	<b>38,599,906</b>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total increase in net asset attributable to unit holders</b>		<b><u>46,865,575</u></b>	<b><u>38,599,906</u></b>

Notes and related statements forming part of these financial statements appear on pages 17 to 44.

Report of the Auditor – pages 10 – 12.

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2025**

		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>TZS'000</b>	<b>TZS'000</b>
<b>Assets</b>			
Cash and cash equivalents	11(a)	119,877	13,393,229
Term deposits with banks	11(b)	62,871,090	-
Government securities and corporate bonds	12	172,534,160	200,930,122
Equity investments	13	161,029,558	152,696,795
Other receivables	14	<u>1,208,775</u>	<u>507,521</u>
<b>Total assets</b>		<b>397,763,460</b>	<b>367,527,667</b>
<b>Liabilities</b>			
Other liabilities	16	<u>(2,109,378)</u>	<u>(2,364,108)</u>
<b>Total liabilities</b>		<b><u>(2,109,378)</u></b>	<b><u>(2,364,108)</u></b>
<b>Net assets attributable to unit holders</b>		<b><u>395,654,082</u></b>	<b><u>365,163,559</u></b>
<b>Represented by:</b>			
<b>Net assets attributable to unit holders</b>		<b><u>395,654,082</u></b>	<b><u>365,163,559</u></b>
Net Asset Value per unit based on 331,557,596 outstanding units (2024: 346,396,381).	17(i)	<u><b>1,193.32</b></u>	<u><b>1,054.18</b></u>

The financial statements on pages 13 to 44 were approved and authorized for issue by the Fund Manager's Board of Directors on ..... and signed by:

\_\_\_\_\_  
Prof. Faustin Rweshabura Kamuzora  
**Chairman**

\_\_\_\_\_  
Dr. Judika Loti King'ori  
**Director**

Notes and related statements forming part of these financial statements appear on pages 17 to 44.

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**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 TZS'000	2024 TZS'000
<b>Opening balance of net assets attributable to unit holders</b>		<b>365,163,559</b>	<b>325,429,839</b>
Increase in net assets attributable to unit holders		<u>46,865,575</u>	<u>38,599,906</u>
		<b>412,029,134</b>	<b>364,029,745</b>
<b>Transactions with unit holders during the year</b>			
Sales of units during the year	17(ii)	20,258,615	13,786,162
Repurchase of units during the year	17(ii)	<u>(36,633,667)</u>	<u>(12,652,348)</u>
<b>Net transactions with unit holders during the year</b>		<b><u>(16,375,052)</u></b>	<b><u>1,133,814</u></b>
<b>Closing balance of net assets attributable to unit holders</b>		<b><u>395,654,082</u></b>	<b><u>365,163,559</u></b>

Notes and related statements forming part of these financial statements appear on pages 17 to 44.

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**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 TZS'000	2024 TZS'000
<b>Cash flows from operating activities:</b>			
<b>Increase in net assets attributable to unit holders, net of tax</b>		<b>46,865,575</b>	<b>38,599,906</b>
<b>Adjustment for:</b>			
Net gain from financial instruments	7	(10,374,710)	(7,066,349)
Dividend income	5	(10,971,728)	(7,698,392)
Interest income	6	(27,773,919)	(24,168,664)
Gain on sale of treasury bonds	8	(7,934,424)	(8,645,785)
Withholding tax expense	10	826,068	453,830
		<b>(9,363,138)</b>	<b>(8,525,454)</b>
<b>Changes in:</b>			
Term deposits with banks		(61,229,200)	1,000,000
Government securities and corporate bonds		35,253,061	(4,818,307)
Equity instruments		2,041,947	(7,141,842)
Other receivables		365,393	(385,608)
Other liabilities		(254,730)	59,123
<b>Cash used in operating activities</b>		<b>(33,186,667)</b>	<b>(19,812,088)</b>
Dividend received		9,905,081	7,677,533
Interest received		27,209,354	24,242,696
Withholding tax paid	15	(826,068)	(453,830)
<b>Net cash generated from operating activities</b>		<b>3,101,700</b>	<b>11,654,311</b>
<b>Cash flows from financing activities:</b>			
Sales of units	17(ii)	20,258,615	13,786,162
Repurchase of units	17(ii)	(36,633,667)	(12,652,348)
<b>Net cash (used in)/generated from financing activities</b>		<b>(16,375,052)</b>	<b>1,133,814</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(13,273,352)</b>	<b>12,788,125</b>
<b>Cash and cash equivalents at 1 July</b>		<b>13,393,229</b>	<b>605,104</b>
<b>Cash and cash equivalents at 30 June*</b>	11	<b>119,877</b>	<b>13,393,229</b>

\*Cash and cash equivalent include call deposit that are repayable on demand and form an integral part of Fund's cash management.

Notes and related statements forming part of these financial statements appear on pages 17 to 44.

Report of the Auditor – pages 10 – 12.

## **UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

#### **1 REPORTING ENTITY**

Umoja Unit Trust Scheme (Umoja Fund) (“the Fund”) is an open-ended collective investment scheme domiciled in Tanzania with an initial lock-in period of one year that ended on 31 July 2006. The address of the Fund’s registered office is 2<sup>nd</sup> Floor, Sukari House, Sokoine/Ohio Street, P.O. Box 14825, Dar es Salaam.

The Fund was established in Tanzania under the Deed of Trust of the Umoja Unit Trust Scheme, on 12 May 2005 and is regulated by Capital Markets and Securities (Collective Investment Schemes) Regulations 1997, as prescribed under Capital Markets and Securities Act, Cap 79.

The Fund is managed by UTT Asset Management Investor Services Plc “(UTT AMIS)”, or the “Fund Manager” who has set up a management structure to carry out day to day operations of the Fund. The duties of the Fund Manager and the Trustee/Custodian are specified on Section 4.0 and 5.3 of the Offer Document respectively. The address of the Fund Manager’s registered office is 2<sup>nd</sup> Floor, Sukari House, Sokoine/Ohio Street, P.O Box 14825, Dar es Salaam.

The Fund’s Custodian, CRDB Bank Plc, located at Ali Hassan Mwinyi Road, P.O. Box 268, Dar es Salaam, is responsible for safeguarding all Fund assets, overseeing transactions, valuations, and unit handling, ensuring compliance with the Deed of Trust and relevant regulations

The Fund is an open-ended investment fund primarily involved in investing in a diversified portfolio of equity securities issued by companies listed in Dar es Salaam Stock Exchange (DSE), fixed deposits and debt securities issued by corporates and the Government of United Republic of Tanzania with the objective of providing unit holders with competitive returns over the medium to long-term.

#### **2 BASIS OF PREPARATION**

##### **(a) Statement of compliance**

The financial statements of the Fund for the year ended 30 June 2025 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997.

##### **(b) Basis of measurements**

The financial statements have been prepared on the historical cost basis unless where fair value has been applied in line with the respective accounting policies.

##### **(c) Functional and presentation currency**

These financial statements are presented in Tanzanian Shillings (TZS), which is the Fund’s functional and presentation currency. All amounts have been rounded to the nearest thousands (‘000’); except where otherwise indicated.

Functional currency is the currency of the primary economic environment in which the Fund operates. The Fund’s investment and transactions are denominated in Tanzanian Shillings. Investor subscriptions and redemptions are determined based on the net asset value and received and paid in Tanzanian shillings. The expenses (including management fees, custodian fees and other charges) are denominated and paid for in Tanzanian Shillings. Accordingly, management has determined that the functional currency of the Fund is Tanzanian Shillings.

##### **(d) Going Concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Fund will continue in operation for at least one year from the date of the approval of financial statements and will be able to realize its assets and discharge its liabilities in the ordinary course of business.

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**2 BASIS OF PREPARATION (CONTINUED)**

**(e) Use of estimates and judgments**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively. In particular information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 20.

The classification of financial assets includes the assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding. See Note 3 B (I) (ii). The impairment of financial instruments includes the assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses (ECL). See Note 3 B (I) (iii) and 4(a).

**3 MATERIAL ACCOUNTING POLICIES**

**A Changes in accounting policies**

Below are the changes that came into effect for accounting periods beginning on or after 1 January 2024. All the applicable changes have been applied in the preparation of these financial statements.

- i) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases became effective on 1 January 2024.
- ii) Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements became effective on 1 January 2024;
- iii) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements became effective on 1 January 2024;

The adoption of the standards above had no material impact on the financial statements of the Fund.

**B The accounting standards set out below have been applied consistently to all periods in presenting these financial statements**

**(a) Income distribution to unit holders**

Distributions made to unit holders are recognized in the statement of profit or loss and other comprehensive income. No distribution to unit holders has been made during the year (2024: Nil).

**(b) Interest income**

The effective interest method is a method of calculating the amortised cost of the financial instrument and allocating the interest income or expense over the relevant period. In terms of the effective interest rate, is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or where appropriate a shorter period to net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred, and origination fees received as a result of bringing margin-yielding assets in the statement of Financial Position are capitalised to the carrying amount of financial instruments and amortised as interest income over the life of the asset. Interest income presented in the statement of profit or loss and other comprehensive income includes: Interest on financial assets at amortised cost on an effective interest rate basis; and Interest income is recognised on a gross basis, including withholding tax, if any.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### B The accounting standards set out below have been applied consistently to all periods in presenting these financial statements (Continued)

##### (c) Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for quoted equity securities. Dividends are reflected as a component of investment income. Dividend income from equity securities carried at fair value is recognised in the “investment income” line in the statement of profit or loss and other comprehensive income.

##### (d) Net gain from financial instruments carried at fair value through profit or loss

Net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences but excludes interest and dividend income.

##### (e) Expenses

Expenses to the Fund would be charged in accordance with Section 14.0 of the Offer Document: -

- Management fee is charged at 1.8% of the daily Net Asset Value.
- Custodian fees at 0.1% of daily NAV with the minimum of TZS 50 million per annum; and
- Other charges at 0.6% of daily NAV which include the commonly rated charges such as bank charges, marketing, selling expenses and audit fees.

Management fee and other charges are restricted to 2.4% of the daily NAV. Any additional amount would be borne by the Fund Manager.

##### (f) Taxation

Under Section 86 of the Income Tax Act, 2004, the Fund is exempt from paying taxes on income, profits or capital gains as such deferred tax is not applicable.

Dividend and interest income received by the Fund is subject to withholding tax as final tax on the same basis as for individuals. Investment income is recorded gross of such taxes and the withholding tax is included under tax charge for the period.

##### (g) Redeemable units

Units issued by the Fund are redeemable and the Fund provide the investors with the right to require redemption for cash at the value proportionate to the investor’s units in the Fund’s net assets at the redemption date.

In accordance with the Offer Document, the Fund is contractually obliged to issue (sell) and redeem (re-purchase) units based on prevailing Net Asset Value (NAV) per unit. Net Asset Value (NAV) per unit is the value that is arrived at after taking the value of the Fund’s assets and subtracting the liabilities of the Fund divided by prevailing number of units.

In accordance with IFRS 9, redeemable units give rise to financial liability for the present value of the redemption amount. Units applied for repurchase and approved but not settled as at year end are presented as repurchase payables and classified as other liabilities.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### **B The accounting standards set out below have been applied consistently to all periods in presenting these financial statements (Continued)**

###### **(h) Cash and cash equivalents**

For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise cash and call deposits with banks with maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the Fund in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

###### **(i) Investment securities**

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either fair value through profit or loss, or amortised cost. Only investments in equities are measured at fair value through profit and loss. The rest of investments are measured at amortized cost.

###### **(j) Provisions**

A provision is recognized if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

###### **(k) Contingent liabilities**

The Fund recognises a contingent liability where, it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the Fund, or it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

###### **(l) Financial Instruments**

###### **i. Recognition and initial measurement**

The Fund initially recognises regular-way transactions in financial assets and financial liabilities at Fair Value Through Profit and Loss (FVTPL) on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

###### **ii. Classification and subsequent measurement**

On initial recognition, the Fund classifies financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

All other financial assets of the Fund are measured at FVTPL.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### **B The accounting standards set out below have been applied consistently to all periods in presenting these financial statements (Continued)**

##### **(I) Financial Instruments (Continued)**

##### **ii. Classification and subsequent measurement (Continued)**

##### **Business model assessment**

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets. The Fund has determined that it has one business model which is:

- Held-to-collect business model: this includes government securities, term deposits with banks, cash and cash equivalents and other receivables. These financial assets are held to collect contractual cash flow.

##### **Assessment whether contractual cash flows are SPPI**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI. The Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment. The Fund considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### **B The accounting standards set out below have been applied consistently to all periods in presenting these financial statements (Continued)**

##### **(I) Financial Instruments (Continued)**

##### **ii. Classification and subsequent measurement (Continued)**

##### **Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

##### **Subsequent measurement of financial assets**

Financial assets at amortised cost:	These assets are subsequently measured at amortised cost using the effective interest method. Interest income is calculated using effective interest method and recognised in profit or loss.
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Financial assets at FVTPL:	These include; cash and cash equivalents, deposits with banks, government securities, equity investments and other receivables. These assets are subsequently measured at fair value. Net gains and losses are recognised in profit or loss.
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##### **Financial liabilities**

Other liabilities are classified as financial liabilities and are carried at amortised cost.

##### **Offsetting**

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when and only when the Fund has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards or gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

##### **iii. Impairment**

An 'expected credit loss' (ECL) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive.

Loss allowances for the financial assets is measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The Fund considers reasonable and supportable forward-looking information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Fund's historical experience and informed credit assessment.

The Fund recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised accordance with the requirement of IFRS 9.



**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**B The accounting standards set out below have been applied consistently to all periods in presenting these financial statements (Continued)**

**(l) Financial instruments (Continued)**

**iii. Impairment (Continued)**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

A financial asset may be modified or replaced when a borrower is in financial difficulties. The borrower may negotiate a restructuring of some or all of the borrower's obligations to allow the borrower sufficient capacity to service the debt or refinance the contract, either entirely or partially.

In such cases, the financial assets are considered to have "significant increase in credit risk" and therefore are to be classified in stage 3 and be subject to the lifetime ECL approach for calculating the impairment allowances.

If a financial asset is modified as part of forbearance, the Fund does not derecognise the financial asset in its entirety. Gains and losses on such modifications are recognised in the statement of profit or loss.

Management assesses the performance of the modified financial asset from time to time to determine whether the credit risk has decreased before the loan is moved to stage 2 or 1.

**Write off**

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**iv. Derecognition**

The Fund derecognises regular-way sales financial assets using trade date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Fund transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such is transferred assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**(m) Comparative information**

Where necessary, the comparative figures have been reclassified to conform to changes in presentation in the current year. No reclassification of comparative figures was made during the year.

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**C New relevant standards and amendments to standards in issue but not yet effective and not early adopted by the Fund**

A number of new standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted; however, the Fund has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Funds financial statements.

<b>New standard or amendments</b>	<b>Effective for annual periods beginning on or after</b>
Lack of Exchangeability – Amendments to IAS 21.	1 July 2025
Amendments to the Classification and measurement of Financial Instruments -	1 July 2026
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure	
Annual improvements to IFRS Accounting standards – Volume 11	1 July 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 July 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 July 2027

The above standards and interpretations are not expected to have a significant impact on the Fund's financial statements.

**4 FINANCIAL RISK MANAGEMENT**

**Introduction and overview**

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;
- Operational risk;

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

**Risk management framework**

The Fund maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The Fund's investment portfolio comprises quoted equity investments and debt securities.

Asset purchases and sales are determined by the Fund Manager, who has been given discretionary authority to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Board of Directors on a quarterly basis. In instances where the portfolio has diverged from target asset allocations, the Fund Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities and cash and cash equivalents.

For risk management reporting purposes, the Fund considers and consolidates all elements of credit risk exposures (such as individual obligor default risk, country and sector risk).

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk**

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, term deposit with banks, other receivables and cash and cash equivalents.

***Management of credit risk***

The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Fund's prospectus. Credit risk is monitored daily by the Fund Manager in accordance with policies and procedures in place.

The Fund's credit risks are monitored on a quarterly basis by the Fund Management Board of Directors. Where the credit risks are not in accordance with the investment policy or guidelines of the Fund, the Fund Manager is obliged to rebalance the portfolio upon determination that the portfolio is not in compliance with the stated investment parameters. Credit risk is mitigated by investing in issuers with known credibility (mostly investing in government securities) and it is monitored on an ongoing basis by the Fund Manager.

**Past due financial assets**

Corporate bonds with Tanzania Federation of Cooperatives (TFC) are more than one year past due (stage 3). All other financial assets are not overdue (stage 1). This is consistent with the previous financial year ended 30 June 2024.

The table below provides details of exposure to credit risk for the financial assets:

	<b>30 June 2025</b>		<b>30 June 2024</b>	
	<b>Amortized cost TZS '000</b>	<b>Exposure to credit risk TZS '000</b>	<b>Amortized cost TZS '000</b>	<b>Exposure to credit risk TZS '000</b>
Government securities	166,914,476	166,914,476	194,710,556	194,710,556
Cash and cash equivalent	119,877	119,877	13,393,229	13,393,229
Deposits with banks	62,871,090	62,871,090	-	-
Corporate bonds	5,619,684	5,619,684	6,219,566	6,219,566
Other receivables	1,208,775	1,208,775	507,521	507,521
	<b><u>236,733,902</u></b>	<b><u>236,733,902</u></b>	<b><u>214,830,872</u></b>	<b><u>214,830,872</u></b>

	<b>30 June 2025</b>		<b>30 June 2024</b>	
	<b>Gross carrying amount TZS '000</b>	<b>Loss allowance TZS '000</b>	<b>Gross carrying amount TZS '000</b>	<b>Loss allowance TZS '000</b>
Government securities *	166,914,476	-	194,710,556	-
Cash and cash equivalent	119,877	-	13,393,229	-
Deposits with banks	62,871,090	-	-	-
Corporate bonds	20,432,790	(14,813,106)	21,032,672	(14,813,106)
Other receivables	1,208,775	-	507,521	-
	<b><u>251,547,008</u></b>	<b><u>(14,813,106)</u></b>	<b><u>229,643,978</u></b>	<b><u>(14,813,106)</u></b>

\*Other financial instruments have been performing well (stage 1) and hence, no loss allowance was made for the period.

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (Continued)**

***Management of credit risk (Continued)***

Losses on modification and impairment losses on financial assets are recognised in profit or loss as described in Note 3(B) (l) (iii) were as follows.

	2025 TZS'000	2024 TZS'000
Corporate bonds – Gross	20,432,790	21,032,672
<b>Less:</b> Impairment loss allowance	<u>(14,813,106)</u>	<u>(14,813,106)</u>
<b>Corporate bonds – net</b>	<b><u>5,619,684</u></b>	<b><u>6,219,566</u></b>

The movement in the allowance for impairment in respect of corporate bonds is as follows.

At 1 July	14,813,106	14,813,106
Charge for the period	<u>-</u>	<u>-</u>
<b>At 30 June</b>	<b><u>14,813,106</u></b>	<b><u>14,813,106</u></b>

***Determination of Expected Credit Losses on Corporate Bonds***

TFC bonds were restructured to adjust the repayment period to enable TFC to repay the outstanding amount. Management uses discounted cashflow model in the determination of the recoverable amount of the modified financial asset. Average discount rate of 8.30% (2024: 9.45%) and growth in occupancy rate of 22.93% (2024: 20.63%) after every 2 years were used as the significant assumptions applied in the determination of present values.

Management has also assumed that the full outstanding amount will be collected within 20 years from 30 June 2025. The analysis below shows the Fund's sensitivity to a 10% increase and decrease in the discount rate and the growth rate on impairment charge:

	2025 TZS'000	2024 TZS'000
<b>Average discount rate</b>		
Increase in net assets attributable to holders of unit holders before tax	67,189	351,827
Decrease in net assets attributable to holders of unit holders before tax	(67,189)	(351,827)
<b>Occupancy rate</b>		
Increase in net assets attributable to holders of unit holders before tax	703,240	217,534
Decrease in net assets attributable to holders of unit holders before tax	(703,240)	(217,534)

***Concentration risk***

The Fund Manager reviews credit concentration of debt securities held based on counterparties and industries. As at the reporting date, the Fund's net debt securities exposures were concentrated in the following industries:

	30 June 2025		30 June 2024	
	TZS '000	%	TZS '000	%
Government sector	166,914,476	70.91%	194,710,556	96.90
Financial services	62,871,090	26.92%	-	-
Corporate societies	5,619,684	2.41%	6,219,566	3.10
	<b><u>235,405,250</u></b>	<b><u>100</u></b>	<b><u>200,930,122</u></b>	<b><u>100</u></b>

The Fund mitigates this risk by prioritising investment in less risky industries in the order of government sector, financial services, and lastly corporate societies to ensure containment of credit risk.

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (Continued)**

***Concentration risk (Continued)***

As at reporting date, the Fund's value of investment holding as a percentage of net asset value is as summarised below.

	<b>30 June 2025</b>		<b>30 June 2024</b>	
	<b>TZS '000</b>	<b>%</b>	<b>TZS '000</b>	<b>%</b>
Deposits with banks	62,871,090	15.89%	-	0.00
Government securities and corporate bonds	172,534,160	43.61%	200,930,122	55.02
Equity investments	161,029,558	40.70%	152,696,795	41.82
Cash and cash equivalents (*)	27,576	0.01%	13,233,292	3.62
	<b><u>396,462,384</u></b>	<b><u>100.21</u></b>	<b><u>366,860,209</u></b>	<b><u>100.46</u></b>

(\*) Includes call deposits.

***Past due and impaired assets***

No financial assets carried at amortised cost were past due or impaired as at 30 June 2025 (2024: Nil). The Fund manager has made an assessment of the expected credit losses from the financial assets as at 30 June 2025 and concluded that the amounts are immaterial to the financial statements.

***Settlement risk***

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of failure of the Fund to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For most transactions, the Fund mitigates this risk by conducting settlements through a custodian to ensure that trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and limit monitoring processes described earlier.

**(b) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

***Management of liquidity risk***

The Fund's policy to managing liquidity is to have sufficient liquidity to meet its liabilities, including estimated redemptions of units, as and when due, without incurring undue losses or risking damage to the Fund's reputation. The Fund's constitution provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unit holders' redemptions on a daily basis. The Fund's listed securities are considered to be readily realisable as they are all listed on the Dar es Salaam Stock Exchange (DSE).

The Fund's liquidity risk is managed on a daily basis by the Fund Manager in accordance with policies and procedures in place. The Fund's overall liquidity risks are monitored on a quarterly basis by the Board of Directors.

It is the Fund's policy to have liquid assets comprising cash and cash equivalents and investments in commercial papers, short term fixed deposits and call deposits for which there is an active and liquid market to cater for anticipated redemptions of units. In addition, the Fund manager is empowered to defer to next dealing day repurchase of units if 10% of the units are repurchased within one dealing day. Maturity profile of non-derivative financial liabilities based on the contractual cash flows (undiscounted) including interest and excluding impact of netting is as follows:

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (b) Liquidity risk (Continued)

##### *Management of liquidity risk (Continued)*

	Carrying amount TZS '000	Contractual cash flows TZS '000	Within 1 year TZS '000	1 year and above TZS '000
<b>At 30 June 2025</b>				
<b>Financial liabilities</b>				
Net assets attributable to unit holders	395,654,082	395,654,082	395,654,082	-
Other liabilities	2,109,378	2,109,378	2,109,378	-
	<u>397,763,460</u>	<u>397,763,460</u>	<u>397,763,460</u>	<u>-</u>
<b>At 30 June 2024</b>				
<b>Financial liabilities</b>				
Net assets attributable to unit holders	(365,163,559)	(365,163,559)	(365,163,559)	-
Other liabilities	(2,364,108)	(2,364,108)	(2,364,108)	-
	<u>(367,527,667)</u>	<u>(367,527,667)</u>	<u>(367,527,667)</u>	<u>-</u>

##### (c) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices and credit spreads (not relating to changes in the obligor's /issuer's credit standing) will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Market risk is potential for both loss and gain to investor resulting from decreases and increases in the unit price of the Fund. The main causes of unit price changes are price changes in the underlying instruments caused by movements in securities prices, changes in the credit rating of instrument issuers, changes in the prevailing level of interest rates and currency movement relative to the Tanzanian shilling.

##### *Management of market risk*

The Fund's strategy on the management of market risk is driven by the Fund's investment objective to empower Tanzanians through wide ownership of its units and encourage a culture of savings in financial assets. The Fund market risk is managed on a daily basis by the Fund Manager in accordance with policies and procedures in place. The Fund's market positions are monitored on a quarterly basis by Board of Directors.

Return is the desired reward for assuming market risk. Market risk is managed by the Fund Manager with reference to the Fund's investment mandate, the objective being to produce the highest possible return for a given level of risk.

The Fund mainly transacts in Tanzanian Shillings. Management considers currency risk to be insignificant.

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Market risk (Continued)**

*Interest rate risk*

The Fund is exposed to cash flow interest rate risk which is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

Fair value interest rate risk is another interest rate risk to the Fund; it is the risk that the value of the financial instrument will fluctuate because of changes in market interest rates. The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both the value and cash flow risks.

The table below summarises the exposure to interest rate risk. Assets and liabilities are categorised by the earlier of contractual re-pricing or maturity dates.

(All figures are in millions of Tanzanian Shillings).

	<b>Up to 1month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>At 30 June 2025</b>							
<b>Assets</b>							
Cash and cash equivalents	28	-	-	-	-	92	120
Government securities	2,665	1,083	480	-	162,686	-	166,913
Corporate bonds	-	4	-	300	5,316	-	5,620
Deposits with banks	-	-	1,642	61,229	-	-	62,871
Equity investments	-	-	-	-	-	161,030	161,030
Other receivables	-	-	-	-	-	1,209	1,209
	<b>2,693</b>	<b>1,087</b>	<b>2,122</b>	<b>61,529</b>	<b>168,002</b>	<b>162,331</b>	<b>397,763</b>
<b>Liabilities</b>							
Net-assets attributable to unit holders	-	-	-	-	-	(395,654)	(395,654)
Other liabilities	-	-	-	-	-	(2,109)	(2,109)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(397,763)</b>	<b>(397,763)</b>
<b>Total interest rate gap</b>	<b>28</b>	<b>-</b>	<b>5,873</b>	<b>61,529</b>	<b>168,002</b>	<b>(235,432)</b>	<b>-</b>

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Market risk (Continued)**

*Interest rate risk (Continued)*

	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- interest bearing	Total
<b>At 30 June 2024</b>							
<b>Assets</b>							
Cash and cash equivalents	13,233	-	-	-	-	160	13,393
Government securities	-	-	5,304	-	189,406	-	194,710
Corporate bonds	-	-	4	500	5,716	-	6,220
Deposits with banks	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	152,697	152,697
Other receivables	-	-	-	-	-	508	508
	<u>13,233</u>	<u>-</u>	<u>5,308</u>	<u>500</u>	<u>195,122</u>	<u>153,365</u>	<u>367,528</u>
<b>Liabilities</b>							
Net-assets attributable to unit holders	-	-	-	-	-	(365,164)	(365,164)
Other liabilities	-	-	-	-	-	(2,364)	(2,364)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(367,528)</u>	<u>(367,528)</u>
<b>Total interest rate gap</b>	<u>13,233</u>	<u>-</u>	<u>5,308</u>	<u>500</u>	<u>195,122</u>	<u>(214,163)</u>	<u>-</u>

**Interest risk sensitivity**

The table below sets out the effect on the Fund's net assets attributable to holders of units of a reasonably possible increase of 100 basis points in interest rates at 30 June 2025. A reduction in interest rates of the same amount would have resulted in an equal but opposite effect to the amounts shown. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the fixed-interest debt securities and other fixed-interest-bearing assets, less liabilities. The impact is primarily from the decrease in the fair value of fixed income securities. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2025 TZS'000	2024 TZS'000
Increase in net assets attributable to holders of unit holders	2,354,328	2,141,634
	<u>2,354,328</u>	<u>2,141,634</u>
Decrease in net assets attributable to holders of unit holders	(2,354,328)	(2,141,634)
	<u>(2,354,328)</u>	<u>(2,141,634)</u>

**Exposure to other price risks**

Other price risks is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

Other price risk arises in respect of the Umoja Fund's investment in the shares issued by the listed companies in Dar es Salaam stock exchange. The fair value of the investment as at 30 June 2025 was TZS 161,029,557,500 (2024: TZS 152,696,795,000).



**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Market risks (Continued)**

**Exposure to other price risks (Continued)**

The table below sets out the effect on the net assets attributable to holders of redeemable units of a reasonably possible strengthening or weakening in the prices of the equity instruments in Umoja Fund of 3% as at 30 June 2025.

	2025 TZS'000	2024 TZS'000
<b>Strengthening</b>		
Increase in net assets attributable to holders of unit holders	4,830,887	4,580,904
<b>Weakening</b>		
Decrease in net assets attributable to holders of unit holders	(4,830,887)	(4,580,904)

**Other price risk sensitivity**

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. Price risk is managed by the Fund Managers by diversifying the portfolio. The internal procedures require the Fund Manager to manage price risk on a daily basis.

The Fund's procedures require price risks to be monitored on a quarterly basis by the Board of Directors. Where the price risks are not in accordance with the investment policy or guidelines of the Fund, the Fund Manager is required to rebalance the portfolio within the prescribed time limits.

**(d) Operational risk**

'Operational risk' is the risk of direct or indirect loss arising from a wide variety of causes associated with the process, technology and infrastructure supporting the fund's activities with the financial instruments, either internally within the fund or externally at the fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investments management behaviour.

The fund's objective is to manage operational risks in order to balance the limiting of financial losses and damage to its reputation with achieving its investment objectives of generation returns to investors.

The primary responsibility for the development and implementation of controls over operational risks rests with the board of directors. The responsibility is supported by the development of overall standard for the management of operational risks, which encompasses the controls and the processes at the service providers and the establishment of the service levels with the service providers, in the following areas:

- Documentation of controls and procedures;
- Requirements for:
  - Appropriate segregation of duties between various functions, roles and responsibilities
  - Reconciliations and monitoring of transactions and
  - Periodic assessment of operational risks faced
- The adequacy of controls and procedures to address the risk identified;
- Compliance with regulatory and other legal requirements;
- Development of contingency plans
- Training and professional development
- Ethical and business standards and
- Risk mitigation including insurance if this is effective.

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(e) Capital management**

The Fund has no equity. The redeemable units issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's unit in the Fund's net assets. See Note 17 for a description of the terms of the redeemable units issued by the Fund.

The Fund's objective in managing the redeemable units is to ensure a stable base to maximise returns to all investors, and to manage liquidity risk arising from redemptions. The Fund's management of the liquidity risk arising from redeemable units is discussed in Note 4(b). The Fund is not subject to any externally imposed capital requirements.

**5 INVESTMENT INCOME**

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
<i>Investment income arises from:</i>		
Interest income calculated using effective interest method (Note 6)	27,773,919	24,168,664
Dividend income	10,971,728	7,698,392
	<u><b>38,745,647</b></u>	<u><b>31,867,056</b></u>

**6 INTEREST INCOME**

*Interest income calculated using effective interest method arises from the following investments:*

Term deposit with banks	2,733,386	641,331
Treasury bonds	24,996,102	23,482,751
Corporate bonds	44,431	44,582
	<u><b>27,773,919</b></u>	<u><b>24,168,664</b></u>

**7 NET GAIN ON FINANCIAL INSTRUMENTS**

Gain on fair valuation of equity investments	10,374,710	7,066,349
	<u><b>10,374,710</b></u>	<u><b>7,066,349</b></u>

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**8 OTHER INCOME**

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
Sundry income	-	451
Contribution from fund manager*	798,773	878,963
Income - Gain on sale of Treasury bonds	<u>7,934,424</u>	<u>8,645,785</u>
	<b><u>8,733,197</u></b>	<b><u>9,525,199</u></b>

\*Contribution from the fund manager is the excess of 2.4% of the Net Asset Value (NAV) from the total of investment management fee and other charges. These are limited to 2.4% of the NAV as directed in the fund prospectus.

**9 OTHER CHARGES**

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
Promotion and advertisement	574,771	472,219
Communication expenses	29,445	49,955
Other expenses	<u>264,658</u>	<u>300,678</u>
	<b><u>868,874</u></b>	<b><u>822,852</u></b>

**10 WITHHOLDING TAX EXPENSE**

Under Section 86 of the Income Tax Act, 2004, the Fund is exempt from paying taxes on income, profits or capital gains as such deferred tax is not applicable. Dividend and interest income received by the Fund is subject to withholding tax as final tax at the rate of 5% and 10% respectively.

Interest income derived from Government bonds and Treasury bills is exempt from withholding tax under Paragraph 6(a), Part I of the Third Schedule to the Act. Accordingly, no income tax expense or deferred tax charge has been recognized in respect of such exempt income, as the Fund's income is not subject to income tax under the prevailing legislation

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
<i>Withholding tax charge on income from;</i>		
Term deposits	273,039	53,275
Dividends	548,586	395,659
Corporates bonds	<u>4,443</u>	<u>4,896</u>
	<b><u>826,068</u></b>	<b><u>453,830</u></b>

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**11 CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS**

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
<b>a) Cash and cash equivalents</b>		
Bank Balance – Investment account	13,493	111,483
Bank Balance – Call account	27,576	13,233,292
Bank Balance – Payment account	78,808	48,454
	<u><b>119,877</b></u>	<u><b>13,393,229</b></u>
<b>b) Term deposits with banks</b>		
Principal	61,229,200	-
Accrued interest	1,641,890	-
	<u><b>62,871,090</b></u>	<u><b>-</b></u>

The effective interest rates on corporate bonds is 5.24%, Term deposits is 14.68% and government bonds during the year range from 12.9% to 15.23%, depending on the maturity and prevailing market conditions.

**12 GOVERNMENT SECURITIES AND CORPORATE BONDS**

(a) Government securities	166,914,476	194,710,556
(b) Corporate bonds	5,619,684	6,219,566
	<u><b>172,534,160</b></u>	<u><b>200,930,122</b></u>

**(a) Government securities**

*Government securities balance is made up of;*

Treasury Bonds - 25 Years	42,774,370	48,062,210
Treasury Bonds - 20 Years	105,326,889	124,978,834
Treasury Bonds - 15 Years	12,892,650	16,097,542
Treasury Bonds - 10 Years	1,693,402	267,573
Treasury Bonds - 7 Years	-	-
Accrued interest on Treasury Bonds	4,227,165	5,304,397
	<u><b>166,914,476</b></u>	<u><b>194,710,556</b></u>

**(b) Corporate bonds**

*Corporate bonds is made up of;*

Tanzania Federation of Cooperatives (TFC) - 5- & 7-years bonds	5,316,152	5,715,941
Tanzania Mortgage Refinance Company Ltd (TMRC) - 5 years bonds	300,000	300,000
National Microfinance Bank PLC (NMB JASIRI) - 3 years bond	-	200,000
Accrued interest on Corporate Bonds	3,532	3,625
	<u><b>5,619,684</b></u>	<u><b>6,219,566</b></u>

Corporate bonds – Gross	20,432,790	21,032,672
<b>Less:</b> provision for impairment	(14,813,106)	(14,813,106)
<b>Corporate bonds – net</b>	<u><b>5,619,684</b></u>	<u><b>6,219,566</b></u>

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**13 EQUITY INVESTMENTS**

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
<i>Below is the movement in equity investments:</i>		
Opening balance	152,696,795	138,488,604
Additional investments purchased during the year	-	7,141,842
Disposed investments during the year	(2,041,947)	-
Gain from fair valuation of equity investments	10,374,710	7,066,349
	<b><u>161,029,558</u></b>	<b><u>152,696,795</u></b>

As at year end the Fund had equity investments in the following listed companies:

<b>Company</b>	<b>30 June 2025</b>		<b>30 June 2024</b>	
	<b>Number of shares</b>	<b>Market Value TZS '000</b>	<b>Number of shares</b>	<b>Market Value TZS '000</b>
Dar es Salaam Stock Exchange	70,270	203,783	70,270	154,594
Vodacom	21,183,586	10,379,957	21,183,586	16,311,361
Tanzania Breweries Limited	4,505,422	47,216,823	4,505,422	49,109,100
Tanzania Cigarette Company	2,155,270	35,906,798	2,155,270	36,639,590
Simba Cement	-	-	99,995	171,991
National Microfinance Bank	4,322,460	29,306,279	4,322,460	22,476,792
Dar es Salaam Community Bank	-	-	14,091,297	1,550,043
Twiga Cement Company	1,789,288	8,946,440	1,789,288	7,336,081
CRDB	32,430,701	25,944,561	32,430,701	16,863,965
Swissport	2,083,278	3,124,917	2,083,278	2,083,278
		<b><u>161,029,558</u></b>		<b><u>152,696,795</u></b>

# **UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

### **13 EQUITY INVESTMENTS (CONTINUED)**

Investments held for trading represent shares held by Umoja Scheme as at year end valued at market price (fair value) which existed in the market (Dar es Salaam Stock Exchange) as at the reporting date.

Below is the movement of the shares during the year to different listed entities.

**2025**

	<b>EQUITIES - UNITS</b>				<b>EQUITIES - MARKET VALUES</b>				
	<b>(All figures are in thousands)</b>				<b>(All figures are in millions of Tanzanian shillings)</b>				
	<b>At 1 July 2024</b>	<b>Addition</b>	<b>Disposal</b>	<b>At 30 June 2025</b>	<b>At 1 July 2024</b>	<b>Addition</b>	<b>Disposal</b>	<b>Fair value gain / (loss)</b>	<b>At 30 June 2025</b>
Dar es Salaam Stock Exchange	70	-	-	70	154.0	-	-	49	203
Vodacom	21,184	-	-	21,184	16,311	-	-	(5,931)	10,380
Tanzania Breweries Limited	4,505	-	-	4,505	49,110	-	-	(1,892)	47,218
Tanzania Cigarette Company	2,156	-	-	2,156	36,640	-	-	(733)	35,907
Simba Cement	100	-	(100)	-	173	-	(176)	4	1
National Microfinance Bank	4,323	-	-	4,323	22,476	-	-	6,829	29,305
Dar es Salaam Community Bank	14,091	-	(14,091)	-	1,551	-	(1,866)	316	1
Twiga Cement Company	1,789	-	-	1,789	7,336	-	-	1,610	8,946
CRDB	32,431	-	-	32,431	16,863	-	-	9,081	25,944
Swissport	2,083	-	-	2,083	2,083	-	-	1,042	3,125
<b>Total</b>	<b>82,732</b>	<b>-</b>	<b>(14,191)</b>	<b>68,541</b>	<b>152,697</b>	<b>-</b>	<b>(2,042)</b>	<b>10,375</b>	<b>161,030</b>

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**13 EQUITY INVESTMENTS (CONTINUED)**

**2024**

	<b>EQUITIES – UNITS</b>				<b>EQUITIES - MARKET VALUES</b>				
	<b>(All figures are in thousands)</b>				<b>(All figures are in millions of Tanzanian shillings)</b>				
	<b>At 1 July 2023</b>	<b>Addition</b>	<b>Disposal</b>	<b>At 30 June 2024</b>	<b>At 1 July 2023</b>	<b>Addition</b>	<b>Disposal</b>	<b>Fair value gain / (loss)</b>	<b>At 30 June 2024</b>
Dar es Salaam Stock Exchange	70	-	-	70	129	-	-	25	154
Vodacom	20,675	509	-	21,184	15,920	203	-	188	16,311
Tanzania Breweries Limited	4,470	35	-	4,505	48,728	210	-	172	49,110
Tanzania Cigarette Company	2,156	-	-	2,156	36,640	-	-	-	36,640
Simba Cement	100	-	-	100	180	-	-	(7)	173
National Microfinance Bank	4,323	-	-	4,323	15,041	-	-	7,435	22,476
Dar es Salaam Community Bank	14,091	-	-	14,091	1,974	-	-	(423)	1,551
Twiga Cement Company	1,789	-	-	1,789	7,157	-	-	179	7,336
CRDB	20,416	12,015	-	32,431	9,595	6,729	-	539	16,863
Swissport	2,083	-	-	2,083	3,125	-	-	(1,042)	2,083
<b>Total</b>	<b>70,173</b>	<b>12,559</b>	<b>-</b>	<b>82,732</b>	<b>138,489</b>	<b>7,142</b>	<b>-</b>	<b>7,066</b>	<b>152,697</b>

**UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**14 OTHER RECEIVABLES**

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
<i>Other receivable is made up of:</i>		
Receivable from sale of units	40,540	17,653
Inter trust receivables	-	-
Dividend receivable	1,168,235	101,588
Other receivable	-	388,280
	<u><b>1,208,775</b></u>	<u><b>507,521</b></u>

**15 TAX CHARGE FOR THE PERIOD**

*The movement in tax charge during the year is as follows:*

Opening balance	-	-
Withholding tax charge for the year	826,068	453,830
Tax deducted at source during the year	<u>(826,068)</u>	<u>(453,830)</u>
<b>Closing balance</b>	<u><b>-</b></u>	<u><b>-</b></u>

**16 OTHER LIABILITIES**

Re-purchases payable	153,875	206,234
Management fee payable	19,246	124,018
Income distribution payable	145,122	145,122
Other administration charges payable	264,227	446,904
Provision for Tax - Income on Corporate Bonds*	10,494	7,703
Investor services account accrual	1,658	1,658
Inter trust payable	<u>1,514,756</u>	<u>1,432,469</u>
	<u><b>2,109,378</b></u>	<u><b>2,364,108</b></u>

\*Movement on provision for Tax income on Corporate Bonds

Opening balance	7,703	4,913
Tax charge for the year	4,443	4,896
Tax deducted at source during the year	<u>(1,652)</u>	<u>(2,106)</u>
<b>Closing Balance</b>	<u><b>10,494</b></u>	<u><b>7,703</b></u>

**17 UNIT HOLDERS' FUNDS**

**(i) The movement in unit holders' funds during the year is as follows:**

	<b>2025</b>	<b>2024</b>
	<b>Number of</b>	<b>Number of</b>
	<b>Units</b>	<b>Units</b>
Opening balance	346,396,381	345,237,402
Units sold during the year	18,294,361	13,976,255
Units repurchased during the year	<u>(33,133,146)</u>	<u>(12,817,276)</u>
<b>Units outstanding at the year end</b>	<u><b>331,557,596</b></u>	<u><b>346,396,381</b></u>
 <b>Net Asset Value per unit</b>	 <b>1,193.32</b>	 <b>1,054.18</b>
 <b>Published Net Asset Value per Unit</b>	 <b>1,177.66</b>	 <b>1,039.09</b>



## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 17 UNIT HOLDERS' FUNDS (CONTINUED)

##### (ii) Sale and repurchase of units

	2025 TZS'000	2024 TZS'000
Proceeds from sale of units	20,258,615	13,786,162
Repurchases of units	(36,633,667)	(12,652,348)
<b>Net sale/(repurchases) of units</b>	<b><u>(16,375,052)</u></b>	<b><u>1,133,814</u></b>

Sales and re-purchase opened from 1 August 2006, after the one-year lock-in period. The Fund undertakes to repurchase and sale any number of units offered to it on the basis of prices calculated in accordance with the terms and conditions set out on the Offer Document and Trust Deed of Umoja Unit Trust Scheme.

#### 18 RELATED PARTY TRANSACTIONS

##### Sponsor and Fund Manager

UTT AMIS, the Fund Manager, is a Government sponsored institution that was established to implement the investment strategy as specified in the Offer Document and to provide administrative services. As per the Offer Document, the Manager shall levy a service charge of not more than 1% of the re-purchase price of a unit subject to a minimum of one hundred shillings per transaction and also management fees and other charges are limited to 2.4% of the Net asset Value. The transactions done during the year and the closing balance are shown in the table below:

##### (a) Management fees and Service Charge

Management fees and service fees charge transactions that were made during the year and the balance outstanding as at the yearend are summarized below;

	Management fee TZS'000	Service charge TZS'000
<b>At 30 June 2025</b>		
Opening balance	124,018	125,195
Charge for the year	6,741,460	239,384
Payments made during the year	(6,846,232)	(314,423)
<b>Closing balance</b>	<b><u>19,246</u></b>	<b><u>175,351</u></b>
<b>At 30 June 2024</b>		
Opening balance	473,086	87,009
Charge for the year	6,138,653	38,186
Payments made during the year	(6,487,721)	-
<b>Closing balance</b>	<b><u>124,018</u></b>	<b><u>125,195</u></b>

# **UMOJA UNIT TRUST SCHEME (UMOJA FUND)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

### **18 RELATED PARTY TRANSACTIONS (CONTINUED)**

#### **(b) Units holding by key management personnel and non-executive directors**

In the current year, Board of Directors of the Fund Manager as well as Senior employees had holdings of 59,660 units in the Fund as at 30 June 2025 (2024:58,240 units).

	2025 TZS'000	2024 TZS'000
Senior Management Personnel	58,903	61,395
Non-executive directors	11,950	-
	<u>70,852</u>	<u>61,395</u>

#### **Unit sales to key management personnel and non-executive directors**

	2025 TZS'000	2024 TZS'000
Senior Management Personnel	13,435	27,031
Non-executive directors	-	-
	<u>13,435</u>	<u>27,031</u>

#### **Unit repurchases by key management personnel and non-executive directors**

	2025 TZS'000	2024 TZS'000
Senior Management Personnel	11,620	2,101
Non-executive directors	-	10,101
	<u>11,620</u>	<u>12,202</u>

#### **(c) Inter trust (payables)/receivable**

As at year end the Fund had the following outstanding balances against related parties.

	2025 TZS'000	2024 TZS'000
UTT AMIS	(1,514,756)	(1,431,769)
Bond Fund	-	(500)
Liquid Fund	-	(200)
	<u>(1,514,756)</u>	<u>(1,432,469)</u>

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

#### 19 DETERMINATION OF FAIR VALUES

##### (a) Valuation models

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

**Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

**Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, EBITDA multiples and revenue multiples and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Fund uses widely recognised valuation models for determining the fair value of common and simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

##### (b) Valuation framework

The Fund has an established control framework with respect to the measurement of fair values. This framework includes a portfolio valuation function, which is independent of front office management and reports to the Board of Directors, who have overall responsibility for fair value measurements. Specific controls include:

- verification of observable pricing inputs;
- re-performance of model valuations;
- a review and approval process for new models and changes to such models;
- calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- Review of unobservable inputs and valuation adjustments.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 19 DETERMINATION OF FAIR VALUES (CONTINUED)

When third party information, such as broker quotes or pricing services, is used to measure fair value, then the portfolio valuation function assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS.

This includes:

- verifying that the broker or pricing service is approved by the Fund for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

#### (c) Fair value hierarchy – Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

All figures in TZS'000

##### At 30 June 2025

	Level 1	Level 2	Level 3	Total
Equity investments	161,029,558	-	-	161,029,558
	<u>161,029,558</u>	<u>-</u>	<u>-</u>	<u>161,029,558</u>

##### At 30 June 2024

	Level 1	Level 2	Level 3	Total
Equity investments	152,696,795	-	-	152,696,795
	<u>152,696,795</u>	<u>-</u>	<u>-</u>	<u>152,696,795</u>

For Level 1 financial instruments the fair value as at year end is based on the latest available redemption price of each share, multiplied by the number of shares held. The quoted prices of equities are obtained from Dar es Salaam Stock Exchange where the shares are traded.

For Level 2 financial instruments the fair value is calculated by estimating the present value through discounting the expected future cash flows using the yield rates of similar Government bonds issued in the recent past, normally past 1-3 months. These yield rates are published by the Bank of Tanzania.

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

#### 19 DETERMINATION OF FAIR VALUES (CONTINUED)

##### c) Fair value hierarchy – Financial instruments measured at fair value (Continued)

##### Financial instruments not measured at fair value

Cash and cash equivalents, deposits, other receivables and other liabilities: These are short-term financial assets and their carrying amounts approximate fair value because of their short-term nature and the high credit quality of counterparties.

Treasury bonds: These are long term and are carried at amortised cost. Fair values of the treasury bonds are different from their amortised costs and are disclosed in the table below. Treasury bonds are categorised into Level 2 of the fair value hierarchy.

Corporate bonds: These are carried at amounts equal to discounted future cash flows hence the balance approximate fair value.

Net assets attributable to unit holders: The Fund routinely redeems and issues the redeemable units at the amount equal to the proportionate share of net assets of the Fund at the redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to holders of redeemable units approximately their fair value. The net assets attributable to unit holders are categorised into Level 2 of the fair value hierarchy.

The following table sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorised.

	TZS'000	TZS'000
<b>30 June 2025</b>		
<b>Assets</b>		
Cash and cash equivalents	119,877	119,877
Term deposits	62,871,090	62,871,090
Corporate bonds	5,645,436	5,619,684
Treasury bonds	155,775,746	165,016,640
Other receivables	1,208,775	1,208,775
<b>Total</b>	<b><u>225,620,924</u></b>	<b><u>234,836,066</u></b>
<b>Liabilities</b>		
	(393,756,246)	(393,756,246)
Net assets attributable to unit holders	6)	
Other liabilities	(2,109,378)	(2,109,378)
<b>Total</b>	<b><u>(395,865,624)</u></b>	<b><u>(395,865,624)</u></b>
<b>30 June 2024</b>		
<b>Assets</b>		
Cash and cash equivalents	13,393,229	13,393,229
Term deposits	-	-
Corporate bonds	6,219,566	6,219,566
Treasury bonds	189,026,838	194,710,556
Other receivables	507,521	507,521
<b>Total</b>	<b><u>209,035,671</u></b>	<b><u>214,719,389</u></b>
<b>Liabilities</b>		
	(365,163,559)	
Net assets attributable to unit holders	9)	(365,163,559)
Other liabilities	(2,364,108)	(2,364,108)
<b>Total</b>	<b><u>(367,527,667)</u></b>	<b><u>(367,527,667)</u></b>

## UMOJA UNIT TRUST SCHEME (UMOJA FUND)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 19 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

##### (a) Expected credit losses (allowances for credit losses)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of defaulting and the resulting losses).

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3(I) (iii). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

TFC bonds were restructured to adjust the repayment period to enable TFC to repay the outstanding amount. Management uses discounted cashflow model in the determination of the value of the modified financial asset. Average discount rate of 8.30% (2024: 9.45%) and growth in occupancy rate of 22.16% (2024: 20.63%) after every 2 years to July 2025 were used as the significant assumptions applied in the determination of present values.

##### (b) Accounting classification and fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those sourced them. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Detailed information on how the fund determines fair values of its financial instruments is disclosed under note 19.

#### 21 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Directors of the Fund Manager confirm that there are no capital commitment or contingent liabilities against the Fund as at 30 June 2025 (2024: Nil).

#### 22 SUBSEQUENT EVENTS

The Directors of the Fund Manager confirm that there are no events subsequent to the year-end up to the date of this report that require either disclosure or adjustment in these financial statements.