

TANZANIA HOME ECONOMICS ASSOCIATION
(TAHEA) – MWANZA
ANNUAL REPORT
AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

ORIGINAL

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**TANZANIA HOME ECONOMICS ASSOCIATION (TAHEA) MWANZA
ANNUAL REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2017**

1.0 CORPORATE INFORMATION

LOCATION

Masunu Street, Nyegezi

P. O. Box 11242

Mwanza, Tanzania.

BOARD OF DIRECTORS

Dr. Sospatro Ngallaba : Chairperson

Mrs. Freda Charles : Member

Mrs. Joyce Manyanda : Member

Mr. Oscar Twakazi : Member

Mr. Sibtein Meghji : Member

Ms. Asia Kapande : Secretary

INDEPENDENT AUDITOR

PKF Uganda

Certified Public Accountants

Plot 1B, Kira Road.

P.O Box 24544, Kampala

Tel +256- 312-305800

Fax + 256-41-251370

PRINCIPAL BANKERS

1. CRDB Bank PLC

Mwanza Branch

P. O. Box 1333, Mwanza.

2. National Bank of Commerce

P.O Box 197, Mwanza

3. Standard Chartered Bank

P.O Box 1334, Mwanza

4. Stanbic Bank

Mwanza Branch

LEGAL ADVISORS

Mr. Oscar Twakazi

MWAUSA

P. O. Box 317, Mwanza

MANAGEMENT REPORT

1.1 BACK GROUND

TAHEA is a professional National Non-Government Organization (NGO's) founded in March, 1980. It's registration no. is SO.6179 under the Tanzania Society Ordinance; it was regally registered in 1980, October the 14th, and later given the certificate of NGO Compliance No. 1732 of 4th December, 2006 under NGO Act. TAHEA Mwanza is a regional branch which is autonomous and works to address the local needs of Mwanza.

TAHEA Mwanza facilitates development processes with resource poor families and communities, supporting them to utilize their potential to improve their living standards socially and economically. For the resource poor families we support their full inclusion in the communities. We give them new knowledge and skills while acknowledging the potential within families and communities, we facilitate people, families and communities to enhance what they have. By changing attitudes and behaviours they themselves become the solution towards transforming their lives.

To support the development process TAHEA Mwanza implements three main programs: Education, Agriculture and Health. Our Micro Finance program is embedded in all programs.

Our mission is to empower families and communities in Mwanza and Tanzania as a whole to transform their lives socially, economically and with gender perspective.

We do that through education, training, and information sharing and consultancy. In order to achieve this, TAHEA uses the expertise of its professional members to facilitate development processes by networking and collaborating with other organizations with similar vision and mission.

TAHEA Mwanza envisions a society which is well educated, with improved living standards, sufficient in food and with a strong economic base.

OBJECTIVES

- Re-conceptualization of Home Economics to meet the changing socio-economic situations of families.
- To use professional members to facilitate development processes through training, education and consultancy.
- To promote research and training on critical problems related to families, homes and environment.
- To support / promote programs and activities for empowering women, children and groups.
- To co-operate and affiliate with other organizations and agencies at national, bilateral and international levels who are interested in our programs which support activities and development of resource poor communities.
- To act as pressure group in situations where women's and children's rights are jeopardized/ at stake.

PROJECT VALUES

- Professionalism, Responsibility, Transparency, Accountability, and Gender Equality.

GOALS

Programming level

- Promoting and facilitating investment in early childhood development (ECD) to better future human capital;
- Promoting quality education, health and nutrition as one of basic needs in the family wellbeing
- Promoting and supplying clean seeds and planting materials for improved food production with the intention of achieving household food security and surplus production for sale to increase household income.
- Promoting Economic empowerment through supporting community managed micro finance activities, building entrepreneurial skills and providing market linkages to improve family incomes to support basic needs, including shelter, food, education, and health.

Organizational level

- Funding, Human capital, Operational improvements in terms of use of Technology, Accounting systems, Monitoring and evaluation, Risk management, Accountability and transparency

ACHIEVEMENTS

- TAHEA Mwanza raised 1,907,154,205 Tanzania Shillings in 2017 for implementing programs (restricted funds)
- TAHEA Mwanza raised 53,614,483.90 Tanzania Shillings in 2017 for TAHEA Operations (unrestricted funds)
- TAHEA Mwanza was trained on Compliance in Financial Management and Minimum Standards to start being adopted gradually in 2018.
- TAHEA Mwanza staff have been engaged in training on Monitoring, Evaluation and Learning, and will continue through 2018.
- 2017 Annual report and Annual Consolidated Audit for the organization was disseminated to Donors, the government and Stakeholders.

CHALLENGES/ CONSTRAINTS

- Inadequate funding for unrestricted funds for TAHEA Mwanza operations and organizational development.

LESSONS LEARNT/ BEST PRACTICES

- Having a strategic Plan for TAHEA has added value to our fundraising efforts and for our partnerships.
- Forging partnerships with local government improves project implementation in terms of cost effectiveness and contribution to the overall government development plans.

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DIRECTORS

The persons who served as members on the Board of Directors are set out on page 1:

RESULTS FOR THE YEAR

The results for the year ended 31 December 2017 are shown on Page 12.

INDEPENDENT AUDITOR

PKF Uganda has expressed willingness to continue in office.

BY ORDER OF THE BOARD



BOARD SECRETARY

MWANZA.....03/07/2018

**TANZANIA HOME OF ECONOMICS ASSOCIATION (TAHEA) MWANZA
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1.2 AUDIT OBJECTIVES

PKF Uganda Certified Public Accountants were appointed by the Board of Directors to carry out an annual audit of the consolidated financial Statements for Tanzania Home of Economics Association (TAHEA) for the year ended 31 December 2017. The audit was performed in accordance with International Standards on Auditing (ISA).

The objective of the audit was to enable us to express an opinion on whether:

- TAHEA's financial statements give a true and fair view of the financial position of the organisation as at 31 December 2017 and of resources and expenditures for the financial year then ended.
- In our professional opinion, the Financial Statements have been prepared in compliance with Generally Accepted Accounting Practices, financing agreements and appropriate accounting guidelines issued by the organisation.

In addition to the above, we were required to provide recommendations on how to improve any weaknesses noted in the system of accounting and internal control during execution of the audit. We were also required to report on the status of implementation of the audit recommendations contained in the report relating to the prior audit.

1.3 AUDIT SCOPE AND OUR APPROACH

We carried out the audit of the organisation's Financial Statements in accordance with International Standards on Auditing (ISA) promulgated by the International Federation of Accountants (IFAC), and included such tests and auditing procedures as we considered necessary under the circumstances. We paid special attention to the following:

- Assessed the financial systems and procedures maintained by the organisation.
- Assessed the internal checks and controls available – especially with regard to approvals, funds management, assets management and procurement procedures. Our review of the internal control systems involved the following areas:
 - Checking reconciliations of all bank accounts.
 - Checking the appropriate recording of administration expenditure.
 - Checking whether there is proper approval of cheque expenditure, with review of supporting documentation and cheque signing procedures.
 - Checking operation of the payroll and salary payments to ensure compliance with local legislation as regards payroll taxes, social security payments and to ensure that the amounts approved through payroll are actually paid to the verifiable staff members.
 - Checking management of funding, including the review of procedures for transferring money from donors. This also included checking the effect of exchange rates, exchange gains/losses and how the same is treated and disclosed.
 - Assessed the financial monitoring and reporting systems.
 - Assessed whether the funds were used as per donor agreement terms and conditions.

**TANZANIA HOME OF ECONOMICS ASSOCIATION (TAHEA) MWANZA
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- **Fraud and Corruption:** We considered the risks of material misstatements in the Financial Statements due to fraud as required by ISA 240: The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements. We identified and assessed these risks (of material misstatement of the financial statements) due to fraud, obtained sufficient appropriate audit evidence about the assessed risks and responded appropriately to identified or suspected fraud.
- **Laws and Regulations:** In designing and performing audit procedures, evaluating and reporting the results, we considered whether there was noncompliance by TAHEA to funding laws and regulations that may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements.
- **Governance:** We communicated audit matters of governance interest arising from the audit of financial statements with those charged with governance of the organization as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with Governance.

Risks: In order to reduce audit risk to an acceptable low level, we determined the overall responses to assessed risks at the financial statement level, and designed and performed further audit procedures to respond to assessed risks at the assertion level as required by Internal Standard on Auditing 330: the Auditor's Procedures in Response to Assessed Risks.

2.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the project as at the end of the financial period and of the surplus or (deficit) for that period. The Directors are also required to ensure that proper accounting records that disclose, with reasonable accuracy, the financial position of the project are maintained. The Directors are also responsible for safeguarding the assets of the project.


Directors accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. Directors also accepts responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstance.

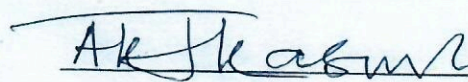
Directors are of the opinion that the consolidated financial statements give a true and fair view of the financial position of the organisation as at 31 December 2017 in accordance with organisation's accounting policies set out on pages 16 to 17.

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

Approved by the Board of Directors on 03/07/ 2018 signed on its behalf by:



DR. SOSPATRO NGALLABA CHAIRPERSON
BOARD OF DIRECTORS



MS. ASIA KAPANDE SECRETARY
BOARD OF DIRECTORS

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF TAHEA MWANZA.**Opinion**

We have audited the consolidated financial statements of Tanzania Home of Economic Association as set out on pages 12 to 24, which comprise the statement of financial position, statement of income and expenditure, statement of changes in funds and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the TAHEA Mwanza as at 31 December 2017, and of its financial performance for the year in accordance with the organization's accounting policies set out on pages 16 to 17.

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 organisation/project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, 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.

Emphasis of matter

Without qualifying our opinion, we draw attention to accounting policy **2(1)** of the financial statements, which describes the basis of preparation. The financial statements are prepared to assist members of the TAHEA Mwanza to report to the donor on the projects' financial performance and status.

Other information

The management is responsible for the other information. The other information comprises the report of the management, the schedule of other operating expenditure 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF TAHEA MWANZA (CONTINUED).

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.

Responsibilities of Directors for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the organization's accounting policies set out on pages 16 to 17 and 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.

In preparing the financial statements, the Directors are responsible for assessing the organization'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 either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

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

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 International Standards on Auditing 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF TAHEA MWANZA
(CONTINUED).**

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. 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.
- ii. 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 organization's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of Directors' 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 project'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 project to cease to continue as a going concern.
- v. 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF TAHEA MWANZA
(CONTINUED).**

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

The engagement partner responsible for the audit resulting to this report of the independent auditor is;


.....
Charles Oguttu (P0141)


.....
Certified Public Accountants
Kampala

Date..... 3/7/2018
Ref: CO/T029/225/2018



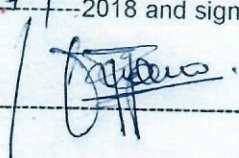
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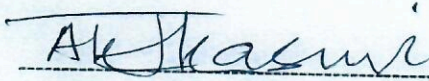
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 Tshs	2016 Tshs
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	45,529,419	60,903,783
Current assets			
Receivables and Prepayments	5	-	600,000
Bank Balance	6	477,820,746	67,577,599
		<u>477,820,746</u>	<u>68,177,599</u>
Total assets		<u>523,350,165</u>	<u>129,081,382</u>
FUND BALANCES AND LIABILITIES			
Capital Fund	7	45,529,419	60,903,783
Accumulated Fund	8	7,255	(1,824,150)
Restricted Funds	9	89,082,018	53,702,919
		<u>134,618,692</u>	<u>112,782,552</u>
Current Liabilities			
Accounts payable & accruals	10	24,948,000	16,298,830
Deferred income	13	363,783,473	-
		<u>388,731,473</u>	<u>16,298,830</u>
Total Fund balances and liabilities		<u>523,350,165</u>	<u>129,081,382</u>

The financial statements together on pages 12 to 15 were approved by the Board of Directors on-----

03/07/2018 and signed on its behalf by:


----- CHAIRPERSON, BOARD OF DIRECTORS
(DR. SOSPATRO NGALLABA)


----- SECRETARY, BOARD OF DIRECTORS
(MS. ASIA KAPANDE)

The notes on pages 16-24 form an integral part of these financial statements.

Report of the independent auditor - pages 8 to 11.

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CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

		2017 Budget	2017 Actual	2016 Actual
	Note	Tshs.	Tshs.	Tshs.
Income				
Grants	11	1,944,546,701	1,907,154,205	1,599,411,296
Other Income	12	90,180,000	53,614,484	62,815,320
Total Income		2,034,726,701	1,960,768,689	1,662,226,616
Expenditures				
Vutamdogo #14		181,799,000	185,561,882	180,262,280
Vutamdogo #15		135,800,000	66,770,296	67,292,800
Champions for Early Childhood Development		138,035,720	143,935,013	162,904,000
Integrated Early Childhood Development		194,000,000	188,734,179	185,524,900
Children and Families		62,000,000	60,639,900	55,190,520
TAHEA General Purpose		90,180,000	51,783,079	60,365,057
Children in Crossfire IECD		46,740,000	46,740,000	144,473,660
Children in Crossfire Fursa Kwa Watoto		280,674,664	275,993,110	188,799,630
Seed - Farmer - Market & Consumer (SEFAMACO)		93,723,976	93,723,976	79,279,032
Improved Rural Housing (IRH)		130,830,650	130,953,078	165,321,622
Community Managed Microfinance (CMMF)		147,877,979	147,806,715	59,594,072
Community Based Education Intervention		137,016,853	135,516,853	249,206,964
Vocational Education		28,898,700	28,898,700	22,528,250
Stromme Foundation - Act Now		28,898,700	7,514,236	20,123,686
Action Research		100,260,450	100,085,874	-
Cotswold Foundation		15,000,000	15,669,437	-
Care for Child Development (CCD)		78,090,000	77,814,783	-
Capacity Building		144,900,009	140,304,678	-
Local contribution		-	3,298,000	-
Refund to donors		-	21,814,395	-
Total Expenditures		2,034,726,701	1,923,558,186	1,640,866,473
Surplus / (Deficit) for the year		-	37,210,503	21,360,143

TANZANIA HOME OF ECONOMICS ASSOCIATION (TAHEA) MWANZA
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STATEMENT OF CHANGES IN FUNDS

Year 2017

	Capital Fund Tshs	General Fund Tshs	Restricted Fund Tshs	Total Fund Tshs
Balance at 1 January	60,903,783	(1,824,150)	53,702,919	112,782,552
(Deficit) / Surplus for the year		1,831,405	35,379,099	37,210,503
Depreciation charge	(15,374,364)	-	-	(15,374,364)
Balance at 31 December	45,529,419	7,255	89,082,018	134,618,692

Year 2016

	Capital Fund Tshs	General Fund Tshs	Restricted Fund Tshs	Total Fund Tshs
Balance at 1 January	81,713,015	5,593,928	25,274,698	112,581,641
Prior year adjustment	-	(350,000)	-	(350,000)
<i>Restated balance</i>	<u>81,713,015</u>	<u>5,243,928</u>	<u>25,274,698</u>	<u>112,231,641</u>
(Deficit) / Surplus for the year	-	(7,068,078)	28,428,221	21,360,143
Depreciation charge	(20,809,232)	-	-	(20,809,232)
Balance at 31 December	60,903,783	(1,824,150)	53,702,919	112,782,552

The notes on pages 16 -24 form an integral part of these financial statements.

Report of the independent auditor - pages 8 to 11.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	2017 Tshs	2016 Tshs
Operating activities		
Surplus /(deficit) for the year	37,210,503	21,360,143
Movement in Payables and Receivables		
Increase /(Decrease) in payables and accruals	372,432,643	16,298,830
Decrease / (Increase) in receivables and prepayment	<u>600,000</u>	<u>(600,000)</u>
Net cash flows from operating activities	<u>410,243,147</u>	<u>37,058,973</u>
Increase / (Decrease) in cash and cash equivalents	<u>410,243,147</u>	<u>37,058,973</u>
Movement in cash and cash equivalent		
At start of the year	67,577,599	30,518,626
Increase/Decrease	<u>410,243,147</u>	<u>37,058,973</u>
Cash and Cash Equivalent as at 31 December	<u><u>477,820,746</u></u>	<u><u>67,577,599</u></u>
Represented by		
Cash at Bank	<u><u>477,820,746</u></u>	<u><u>67,577,599</u></u>

The notes on pages 16-24 form an integral part of these financial statements.

Report of the independent auditor - pages 8 to 11.

NOTES TO THE FINANCIAL STATEMENTS

1. STATUS OF THE ACCOUNTING ENTITY

Tanzania Home Economics Association (TAHEA) is a national professional non-governmental organization established on 14 October 1980. It is registered under the Tanzania Societies Ordinance with registration No. SO6179. It has regional chapters, which include TAHEA Mwanza. The regional chapters are autonomous in their regions addressing issues which affect them specifically in their region.

TAHEA's goals include the promotion of improved quality of life of families, individuals and the communities at large. TAHEA strives to achieve these goals through emphasis on education (ECD and girl child); Agriculture (through improved production); Health (through nutrition and reproductive health) and Microfinance.

2. ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Generally Accepted Accounting Principle (GAAP) and financial guidelines outlined in the accounting and finance policy and procedure manual and as summarised in the accounting policies below.

2.2 Non-current Assets

Non-current assets acquired during the year are written off to the Statement of Income and Expenditure. The assets are then capitalised and transferred to the Capital Fund. Depreciation thereon is also charged to Capital Fund and not to the Statement of Comprehensive Income.

2.2.1 Motor vehicles and equipment bought for a Relief Project are depreciated over the life of the Project.

2.2.2 Other equipment and office equipment are depreciated at the rate of 33.3% per annum on a reducing balance basis. Computers and computer accessories are categorised as office equipment.

2.2.3 Motor vehicles and equipment, which are non-project related, are depreciated at 25% per annum on a reducing balance basis.

2.2.4 Furniture and fittings bought with TAHEA Mwanza funds are depreciated at 12.5% per annum on a reducing balance basis. Furniture and fittings bought with Project funds are expensed on purchase.

2.2.5 Land and Buildings

Buildings are depreciated on the straight-line basis at the rate of 4% per annum. Land is not depreciated.

A separate inventory of fixed assets is also maintained for control and monitoring purposes

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YEAR ENDED 31 DECEMBER 2017**

2.3 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

2.4 Employee Retirement Benefits

The Association contributes to a statutory pension scheme, National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Fund Act. The Association's obligations under the scheme are limited to specific contributions legislated from time to time and are currently 10% of the employees' gross salary.

The Association's contributions are charged to the Statement of Comprehensive Income in the year to which they relate.

2.5 Operating and Reporting Currencies

The organisation costs are incurred in Tanzanian shillings and the financial statements are reported in Tanzanian shillings.

2.6 Income

The income of the Association is derived from internally generated activities, subscription fees from members and donations from well-wishers and friends of the Association.

3. RELATED PARTY TRANSACTIONS

Mr. Oscar Twakazi, a member of the Board of Directors of the TAHEA agreed to provide legal counsel to the Association for a reasonable fee of Tshs. 1,200,000 per annum. The fee is to cover a small portion of his costs only, but to a larger extent the services are considered a contribution to the Association.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.0 PROPERTY AND EQUIPMENT

4.1 Year 2017

	Motor Vehicles Tshs	Motorcycles Tshs	Furniture and Equipment Tshs	Computer and Accessories Tshs	Total Tshs
Cost					
At start 1 January 2017	109,700,000	56,000,000	10,285,000	26,700,000	202,685,000
Additions	-	-	-	-	-
As at 31 December 2017	109,700,000	56,000,000	10,285,000	26,700,000	202,685,000
Depreciation:					
At start 1 January 2017	63,703,129	51,795,257	6,727,970	19,554,861	141,781,217
Charge for the year	11,499,218	1,051,186	444,629	2,379,331	15,374,364
As at 31 December 2017	75,202,347	52,846,443	7,172,599	21,934,192	157,155,581
Net Book Value					
As at 31 December 2017	34,497,653	3,153,557	3,112,401	4,765,808	45,529,419

Note: TAHEA Mwanza acquired land in the past the value of which has not yet been properly ascertained. Management will carry out an evaluation to ascertain the value for its incorporation within the records in the next year.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.0 PROPERTY AND EQUIPMENT (Continued)

4.2 Year 2016

	Motor Vehicles Tshs	Motorcycles Tshs	Furniture and Equipment Tshs	Computer and Accessories Tshs	Total Tshs
Cost					
At start 1 January 2016	109,700,000	56,000,000	10,285,000	26,700,000	202,685,000
Additions	-	-	-	-	-
As at 31 December 2016	109,700,000	56,000,000	10,285,000	26,700,000	202,685,000
Depreciation:					
At start 1 January 2016	48,370,838	50,393,676	6,219,823	15,987,648	120,971,985
Charge for the year	15,332,291	1,401,581	508,147	3,567,213	20,809,232
As at 31 December 2016	63,703,129	51,795,257	6,727,970	19,554,861	141,781,217
Net Book Value					
As at 31 December 2016	<u>45,996,871</u>	<u>4,204,743</u>	<u>3,557,030</u>	<u>7,145,139</u>	<u>60,903,783</u>

Note: TAHEA Mwanza acquired land in the past the value of which has not yet been properly ascertained. Management will carry out an evaluation to ascertain the value for its incorporation within the records in the next year.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. RECEIVABLES AND PREPAYMENTS

The balance on this account is made up as follows:

Receivables and Prepayments	2017 Tshs	2016 Tshs
Lawyers retention fees	-	600,000
Total	-	600,000

6. BANK BALANCES

The unspent fund balance at the year-end was represented by the balance on the bank account as follows:

	2017 Tshs	2016 Tshs
CRDB Bank Plc Mwanza Branch		
Tshs Saving Bank Account	3,257,255	1,425,850
Standard Chartered Bank (T) Limited, Mwanza Branch		
Project account balance - Firelight Foundation	201,206,592	62,934,885
Project account balance - Cotswold Foundation	16,294,694	-
Project account balance - Better Way Foundation	257,062,205	-
National Bank of Commerce		
Project account balance	-	948,689
Stanbic Bank Balance		
SF Project balance	-	2,268,175
Total Cash and bank balance	477,820,746	67,577,599

7. CAPITAL FUND

The balance on this account represents amounts expended on fixed assets as reduced by depreciation.

	2017 Tshs	2016 Tshs
Opening balance	60,903,783	81,713,015
Depreciation	(15,374,364)	(20,809,232)
Balance as at 31 December 2017	45,529,419	60,903,783

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NOTES TO THE FINANCIAL STATEMENT (continued)

8. ACCUMULATED FUND

The balance on this account relates to accumulated surplus / (deficit) as follows:

	2017	2016
	Tshs	Tshs
Opening balance 1 January	(1,824,150)	5,593,928
Prior year adjustment	<u>-</u>	<u>(350,000)</u>
Restated balance	(1,824,150)	5,243,928
Surplus / (Deficit) for the year	1,831,405	(7,068,078)
Balance as at 31 December	<u>7,255</u>	<u>(1,824,150)</u>

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NOTES TO THE FINANCIAL STATEMENT (continued)

9. RESTRICTED FUNDS

Donor	Balance as at 01.01.2017 Tshs	Income Tshs	Exchange Gain/(Loss) Tshs	Expenditure Tshs	Refund to Donors Tshs	Closing Balance Tshs
Vutamdogo #14	7,905,640	181,799,000	6,481,000	185,561,882	-	10,623,758
Vutamdogo #15	2,707,200	66,824,757	6,395,243	66,770,296	-	9,156,904
Champions for Early Childhood Development	9,046,000	137,206,873	(3,371,173)	143,935,013	-	(1,053,313)
Integrated Early Childhood Development	22,887,180	194,000,000	13,651,169	188,734,179	-	41,804,170
Children and Families Children in Crossfire IECD	8,412,940	66,960,000	-	60,639,900	-	14,733,040
Children in Crossfire Fursa Kwa Watoto	906,590	46,740,000	-	46,740,000	-	906,590
Seed - Farmer - Market & Consumer (SEFAMACO)	(1,548,830)	282,223,495	(1)	275,993,110	4,681,554	-
Improved Rural Housing (IRH)	-	93,723,976	-	93,723,976	-	-
Community Managed Microfinance (CMMF)	169,335	130,830,650	-	130,953,078	-	46,907
Community Based Education Intervention	248,656	147,877,979	-	147,806,715	-	319,920
Vocational Education Stromme Foundation - Act Now	230,743	137,016,853	-	135,516,853	-	1,730,743
	69,303	28,898,700	-	28,898,700	-	69,303
	2,668,162	21,978,915	-	7,514,236	17,132,841	-
Action Research	-	100,000,000	4,947,500	100,085,874	-	4,861,626
Cotswold Foundation Care for Child Development (CCD)	-	15,000,000	675,000	15,669,437	-	5,563
	-	78,090,000	461,269	77,814,783	-	736,486
Capacity Building	-	144,900,009	344,991	140,304,678	-	4,940,322
Local contribution	-	3,498,000	-	3,298,000	-	200,000
Total	53,702,919	1,877,569,207	29,584,998	1,849,960,711	21,814,395	89,082,018

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NOTES TO THE FINANCIAL STATEMENT (continued)

10. PAYABLES AND ACCRUALS

The balance on this account is made up as follows:

Payables and Accruals	2017	2016
Accrued Expenses:	Tshs	Tshs
Audit fees - PKF Uganda	-	1,640,000
Unpaid staff allowances for December	-	2,210,000
Other payables	-	1,548,830
Projects accrued audit fees	24,948,000	10,900,000
Total	24,948,000	16,298,830

11. GRANTS

11.1 Grants received	2017	2016
	Amount	Amount
	Tshs	Tshs
Firelight Foundation	538,573,766	308,000,000
Better Way Foundation	431,206,873	371,950,000
Children In Crossfire	328,963,494	332,631,050
Seed Farmer Market Consumer (SEFAMACO)	93,723,976	79,279,032
Improved Rural Housing (IRH)	130,830,650	164,819,690
Stromme Foundation	21,978,915	342,731,524
Cotswold Foundation	15,000,000	-
Community based Education Intervention (CBEI)	137,016,853	-
Community Managed Microfinance(CMMF)	147,877,979	-
Vocation Education (VOC)	28,898,700	-
Local contribution	3,498,000	-
Total:	1,877,569,206	1,599,411,296
11.2 Exchange gain/ (loss) on grants received	29,584,999	-

12. DONATIONS

12.1 In Cash

Income under this category was received as follows:

Particulars	2017	2016
	Amount	Amount
	Tshs	Tshs
Funds received from TCCD	1,500,000	300,000
Funds received from TWaweza	1,220,000	-
Better Way Foundation (BWF)/IECD	-	1,191,000
Children in Crossfire IECD	-	1,150,000
DC & DCCP/ADC	-	2,897,500
Vutamdogo, FURSA, FLORA	-	3,636,250
BARCTZTZ	-	9,513,535
SUA University	-	60,000
Others - Funds of TAHEA Mwanza	-	12,695,000
Sub Total	2,720,000	31,443,285

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NOTES TO THE FINANCIAL STATEMENT (Continued)

12.2 Internally Generated Income

Income under this category was raised from the following sources:

	2017 Tshs	2016 Tshs
Funds received from Institution fees from different projects/ Nurti Co.Ltd - Jan-Dec 2017	44,347,150	20,080,000
TAHEA members' regional subscription fees	-	1,736,000
Funds received from Mama's Fund Jan-Dec 2017	6,508,000	-
Interest from Jan-Dec 2017	39,334	37,694
Sub Total	50,894,484	21,853,694
12.3 Interest Income		
Improved Rural Housing (IRH)	-	540,740
12.4 Peoples Contribution		
Community contribution	-	8,977,601
Total Other Income	53,614,484	62,815,320

13. Deferred Income

The deferred income are funds received from donors during the year that relate to activities of the following year 2018

Donor / Project	2017 Tshs	2016 Tshs
Firelight Foundation		
Fund for new project for capacity building for year 2017/2018	147,665,864	-
Better Way Foundation		
New fund for Better Way IECD for year 2018	201,039,636	-
Cotswold Foundation		
Cotswold Foundation project	15,077,973	-
Total	363,783,473	-

14. COMPARATIVE FIGURES

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