

**TANZANIA HOME ECONOMICS ASSOCIATION
(TAHEA) – MWANZA**

ANNUAL REPORT

AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS	PAGE(S)
1.0 Corporate Information	1
1.1 Background	2-5
1.2 Audit Objectives	6
1.3 Audit Scope and Approach	6-7
2.0 Statement of Directors Responsibilities	8
2.1 Report of the Independent Auditor	9-12
Financial statements:	
Statement of Financial Position	13
Statement of Income and Expenditure	14
Statement of Changes in Funds	15
Statement of Cash flows	16
Accounting policies	17-18
Notes to the financial statements	19-25

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 among resource poor families and communities, supporting them to utilize their potential to improve their living standards socially and economically. 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. We believe that education is a key factor to accelerate changes; TAHEA Mwanza continues to build capacities of community groups from target rural communities to equip them with capacities to deal with outside pulling factors towards individuals and community development as a whole.

Mission:

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. Our eagle metaphor reflects how we facilitate development processes by making people see their potential to transform their lives.

Vision:

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

Values:

To adhere to:

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

Organisational Objectives

- To promote and strengthen home economics, agriculture, education, health and nutrition, housing and habitat, to improve livelihood of poor communities.
- To promote and advocate for the protection of human rights of communities.
- To cooperate with central and local Governments in Tanzania Mainland in promoting regional development.
- To cooperate with various state and non-state actors in fighting against HIV and Aids, gender discrimination, environmental degradation, corruption and poverty.
- To promote research and dissemination of information on matters pertaining to health, environmental protection and climate change, poverty alleviation, housing and habitat.
- To support and establish initiatives for economic and social empowering for women, young people and vulnerable groups.
- To cooperate and affiliate with national and international organizations/ agencies which supports objectives/ programs similar to our aims and objectives.
- To support TAHEA regional branches through training, organizational set up and standard operations.
- To support cooperation among men and women practitioners on home economics, agriculture, education, nutrition, health and environment.

Strategy:

TAHEA Mwanza delivers unique services which are based on past experiences, lessons learned, good practices since the services have proven to add sustainable value to the under resourced poor families and the communities. TAHEA Mwanza promotes inclusiveness of the poor families in the community by promoting and facilitating investment in early childhood development (ECD) towards better future human capital; promotes quality education, health and nutrition as one of basic needs in the family wellbeing. We also promote and supply 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. We as well promote Economic empowerment/ strengthening through supporting community managed micro finance activities, we build entrepreneurial skills and provide market linkages to improve family incomes that support basic family needs, including shelter, food, education, and health. TAHEA Mwanza aims to support resource poor families and communities by empowering through advocacy to enable them to ask from duty bearers for good governance, to participate in the community planning/ budgeting and to request for the proper use of community resources for community development. TAHEA Mwanza strives to increase number of development partners and funding base to enable the organization to implement effective programs targeting the poor.

TAHEA Mwanza Fundraising Plan Goal

The overarching goal of the fundraising Plan is to develop a stable and growing base of financial support that will cover Programming areas for the identified goals and objectives, fundraising plan activities and funds to cover operational costs on an annual basis.

Funding Needs

TAHEA Mwanza requires sufficient funds to support the following activities on an Ongoing basis including:

- Administration and general operations
- Fundraising
- Capacity building
- Communications & outreach
- Transaction
- Programs implementation costs

Fundraising Strategies

TAHEA Mwanza implements fundraising strategies that include:

- Investing in resources that improve the organization fundraising capacity, fundraising procedures, and securing the Board of Directors' commitment to participate in major donor efforts.
- Implementing a "corporate sponsor" program, cultivating broad, long-term relationships between donors and the organization, maximizing cost effective activities, sustaining and enhancing fundraising strategies that are proven and/or predictable.
- Implementing a strategy to achieve Organizational goals and objectives, identifying and exploring "entrepreneurial" opportunities, and implement good ideas, and increasing organization recognition and public awareness of the organization and its mission.
- Using Message Brand Strategy including Social Media, Website, Online promotion, Event promotion, Videos, Direct Mail, Advertising, Publications, Brochures

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 2018 are shown on Page 13

INDEPENDENT AUDITOR

PKF Uganda has expressed willingness to continue in office.

BY ORDER OF THE BOARD

ASIA KASUWI KAPANDE *AK Kasuwi*

BOARD SECRETARY

MWANZA 08/04/2019



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 2018. 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 2018 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.

- **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 2018 in accordance with organisation's accounting policies set out on pages 17 to 18.

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

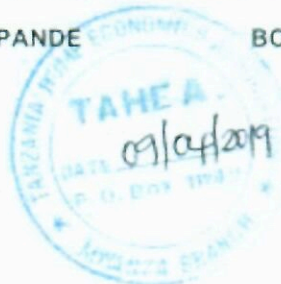
Approved by the Board of Directors on 09/04/ 2019 signed on its behalf by:



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 financial statements of Tanzania Home of Economic Association as set out on pages 13 to 23, 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 financial statements give a true and fair view of the financial position of the TAHEA Mwanza as at 31 December 2018, and of its financial performance for the year in accordance with the organization's accounting policies set out on pages 17 to 18.

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 organization/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.

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Partners: Charles Oguttu*, Frederick Kibbedi*, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda*** (*Ugandan, ** Kenyan, *** British)

**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 17 to 18 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 organization'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;

.....
Charles Oguttu (P0141)

.....
Certified Public Accountants
Kampala

Date..... 9/4/2019
Ref: CO/T029/032/19

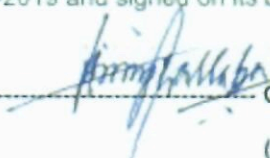


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 Tshs	2017 Tshs
ASSETS			
Non - Current assets			
Property, Plant and Equipment	4	49,140,553	45,529,419
Current Assets			
Bank Balance	5	110,249,249	477,820,746
		<u>110,249,249</u>	<u>477,820,746</u>
Total Assets		<u>159,389,802</u>	<u>523,350,165</u>
FUND BALANCES AND LIABILITIES			
Capital Fund	6	49,140,553	45,529,419
Accumulated Fund	7	(940,110)	7,255
Restricted Funds	8	66,337,109	89,082,018
		<u>114,537,552</u>	<u>134,618,692</u>
Current Liabilities			
Accounts payable & Accruals	9	27,068,000	24,948,000
Deferred Income	12	17,784,250	363,783,473
		<u>44,852,250</u>	<u>388,731,473</u>
Total Fund Balances and Liabilities		<u>159,389,802</u>	<u>523,350,165</u>

The financial statements together on pages 13 to 16 were approved by the Board of Directors on

-----2019 and signed on its behalf by:



CHAIRPERSON, BOARD OF DIRECTORS
(DR. SOSPATRO NGALLABA)



SECRETARY, BOARD OF DIRECTORS
(MS. ASIA KAPANDE)



The notes on pages 17-25 form an integral part of these financial statements.

Report of the independent auditor - pages 9 to 12.

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

		2018 Budget	2018 Actual	2017 Actual
	Note	Tshs.	Tshs.	Tshs.
Income				
Grants	9	1,298,889,641	1,309,915,198	1,907,154,205
Other Income	11	102,032,000	54,456,604	53,614,484
Total Income		1,400,921,641	1,364,371,802	1,960,768,689
Expenditures				
Vutamdogo #14		181,800,000	188,423,680	185,561,882
Vutamdogo #15		-	9,156,904	66,770,296
Champions for Early Childhood Development		218,900,000	207,839,707	143,935,013
Integrated Early Childhood Development		194,000,000	230,718,513	188,734,179
Children and Families		72,725,000	86,726,231	60,639,900
TAHEA General Purpose		102,032,000	55,403,968	51,783,079
Children in Crossfire IECD		-	-	46,740,000
Children in Crossfire ISRP		210,339,484	186,355,616	-
Children in Crossfire Fursa Kwa Watoto		-	-	275,993,110
Seed - Farmer - Market & Consumer (SEFAMACO)		-	-	93,723,976
Improved Rural Housing (IRH)		-	46,907	130,953,078
Community Managed Microfinance (CMMF)		-	319,920	147,806,715
Community Based Education Intervention		-	1,730,743	135,516,853
Vocational Education		-	69,303	28,898,700
Stromme Foundation - Act Now		-	-	7,514,236
Action Research		-	4,861,626	100,085,874
Cotswold Foundation		15,000,000	16,570,305	15,669,437
Care for Child Development (CCD)		-	736,486	77,814,783
Capacity Building		147,013,000	141,703,104	140,304,678
Local contribution		-	200,000	3,298,000
Refund to donors		-	-	21,814,395
Promote Adequate Housing for Women		149,844,335	149,738,320	-
Special Funds for Meetings		91,607,822	91,762,415	-
Mtoto Mwerefu		17,660,000	15,700,327	-
Total Expenditures		1,400,921,641	1,388,064,076	1,923,558,186
(Deficit) /Surplus for the year		-	(23,692,273)	37,210,503

The notes on pages 17-24 form an integral part of these financial statements.

Report of the independent auditor - pages 9 to 12.

Tanzania Home Economics Association (TAHEA) Mwanza
 Annual report and Consolidated Audited Financial Statements for the year ended 31 December 2018

STATEMENT OF CHANGES IN FUNDS

Year 2018

	Capital Fund Tshs	General Fund Tshs	Restricted Fund Tshs	Total Fund Tshs
Balance at 1 January	45,529,419	7,255	89,082,018	134,618,692
Prior year adjustment	15,000,000			15,000,000
(Deficit) / Surplus for the year		(947,364)	(22,744,909)	(23,692,273)
Depreciation charge	(11,388,867)	-		(11,388,867)
Balance at 31 December	49,140,553	(940,110)	66,337,109	114,537,552

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	37,210,504
Depreciation charge	(15,374,364)	-	-	(15,374,364)
Balance at 31 December	45,529,419	7,255	89,082,018	134,618,692

The notes on pages 17 -25 form an integral part of these financial statements.

Report of the independent auditor - pages 9 to 12.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2018 Tshs	2017 Tshs
Operating activities		
Surplus /(Deficit) for the year	(23,692,273)	37,210,503
Movement in Payables and Receivables		
Increase/(Decrease) in payables and accruals	(343,879,223)	372,432,643
Decrease/ (Increase) in receivables and prepayment	-	600,000
Net cash flows from operating activities	<u>(367,571,497)</u>	<u>410,243,146</u>
Increase / (Decrease) in cash and cash equivalents	<u>(367,571,497)</u>	<u>410,243,146</u>
Movement in cash and cash equivalent		
At start of the year	477,820,745	67,577,599
Increase/Decrease	<u>(367,571,497)</u>	<u>410,243,146</u>
Cash and Cash Equivalent as at 31 December	<u>110,249,249</u>	<u>477,820,745</u>
Represented by		
Cash at Bank	<u>110,249,249</u>	<u>477,820,746</u>

The notes on pages 17-25 form an integral part of these financial statements.

Report of the independent auditor - pages 9 to 12.

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

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 2018

Cost	Land	Motor Vehicles Tshs	Motorcycles Tshs	Furniture and Equipment Tshs	Computer and Accessories Tshs	Total Tshs
At start 1 January 2018	15,000,000	109,700,000	56,000,000	10,285,000	26,700,000	217,685,000
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31 December 2018	15,000,000	109,700,000	56,000,000	10,285,000	26,700,000	217,685,000
Depreciation:						
At start 1 January 2018	-	75,202,347	52,846,443	7,172,599	21,934,192	157,155,581
On disposal	-	-	-	-	-	-
Charge for the year	-	8,624,413	788,389	389,050	1,587,014	11,388,867
As at 31 December 2018	-	83,826,760	53,634,832	7,561,649	23,521,206	168,544,447
Net Book Value						
As at 31 December 2018	15,000,000	25,873,240	2,365,168	2,723,351	3,178,794	49,140,553

Note: TAHEA Mwanza acquired land in the past the value of which has been properly ascertained during the year 2018. Management has therefore incorporated this land on the financials for the year ended 31.12.2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.0 PROPERTY AND EQUIPMENT (Continued)

4.2 Year 2017

Cost	Motor Vehicles Tshs	Motorcycles Tshs	Furniture and Equipment Tshs	Computer and Accessories Tshs	Total Tshs
At start 1 January 2017	109,700,000	56,000,000	10,285,000	26,700,000	202,685,000
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
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
On disposal	-	-	-	-	-
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 been properly ascertained during the year 2018. Management has therefore incorporated this land on the financials for the year ended 31.12.2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. BANK BALANCES

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

	2018 Tshs	2017 Tshs
CRDB Bank Plc		
Mwanza Branch		
Tshs Saving Bank Account	2,309,890	3,257,255
Standard Chartered Bank (T) Limited, Mwanza Branch		
Project account balance - Firelight Foundation	43,087,146	201,206,592
Standard Chartered Bank (T) Limited, Mwanza Branch		
Project account balance - Cotswold Foundation	17,952,058	16,294,694
Standard Chartered Bank (T) Limited, Mwanza Branch		
Project account balance - Better way Foundation	46,900,156	257,062,205
Total Cash and bank balance	<u>110,249,249</u>	<u>477,820,746</u>

6. CAPITAL FUND

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

	2018 Tshs	2017 Tshs
Opening balance	45,529,419	60,903,783
Additions for land	15,000,000	-
Depreciation	(11,388,867)	(15,374,364)
Closing balance	<u>49,140,553</u>	<u>45,529,419</u>

NOTES TO THE FINANCIAL STATEMENT (continued)

7. ACCUMULATED FUND

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

	2018	2017
	Tshs	Tshs
Opening balance 1 January	7,255	(1,824,150)
(Deficit) /Surplus for the year	(947,365)	1,831,405
Balance as at 31 December	<u><u>(940,110)</u></u>	<u><u>7,255</u></u>

NOTES TO THE FINANCIAL STATEMENT (continued)

8. RESTRICTED FUNDS

Donor	Bal as at 01.01.2018	Income	Exchange gain/loss	Expenditure	Closing Balance
	Tshs	Tshs	Tshs	Tshs	Tshs
Vutamdogo #14	10,623,758	181,800,000	1,223,707	188,423,680	5,223,785
Vutamdogo #15	9,156,904	-	-	9,156,904	-
Champions for Early Childhood Development	(1,053,313)	218,900,000	-	207,839,707	10,006,980
Integrated Early Childhood Development	41,804,170	194,000,000	7,039,636	230,718,513	12,125,293
Children and Families	14,733,040	72,725,000	-	86,726,231	731,809
Children in Crossfire ISRP	906,590	210,573,234	-	186,355,616	25,124,208
Improved Rural Housing (IRH)	46,907	-	-	46,907	-
Community Managed Microfinance (CMMF)	319,920	-	-	319,920	-
Community Based Education Intervention	1,730,743	-	-	1,730,743	-
Vocational Education	69,303	-	-	69,303	-
Action Research	4,861,626	-	-	4,861,626	-
Cotswold Foundation	5,563	15,000,000	1,564,742	16,570,305	-
Care for Child Development (CCD)	736,486	-	-	736,486	-
Capacity Building	4,940,322	147,013,000	652,864	141,703,104	10,903,082
Local contribution	200,000	-	-	200,000	-
Promote Adequate Housing for Women +Young People(PAHWaYP)	-	149,844,335	-	149,738,320	106,015
Special Funds for Meetings	-	91,607,822	309,185	91,762,415	154,592
Mtoto Mwerefu	-	17,660,000	1,671	15,700,327	1,961,344
Total	89,082,018	1,299,123,392	10,791,806	1,332,660,107	66,337,109

Note: The opening balance for Children in Crossfire IECD Tshs 906,590 was transferred as the opening balance for the new project Children in Crossfire ISRP financed by the same donor

NOTES TO THE FINANCIAL STATEMENT (continued)

9. PAYABLES AND ACCRUALS

The balance on this account is made up as follows:

	2018 Tshs	2017 Tshs
Audit fees	25,868,000	24,948,000
Unpaid lawyers' fees	1,200,000	-
Total	<u>27,068,000</u>	<u>24,948,000</u>

10. GRANTS

10.1 Grants received

	2018 Amount Tshs	2017 Amount Tshs
Firelight Foundation	493,145,822	538,573,766
Better Way Foundation	412,900,000	431,206,873
Children In Crossfire	210,573,234	328,963,494
Seed Farmer Market Consumer (SEFAMACO)		93,723,976
Improved Rural Housing (IRH)	-	130,830,650
Stromme Foundation	-	21,978,915
Cotswold Foundation	15,000,000	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
Promote Adequate Housing for Women +Young People(PAHWaYP)	149,844,335	-
Mtoto Mwerefu	17,660,000	-
Total:	<u>1,299,123,392</u>	<u>1,877,569,206</u>

10.2 Exchange gain/ (loss) on grants received

<u>10,791,806</u>	<u>29,584,999</u>
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11. DONATIONS

11.1 In Cash

Income under this category was received as follows:

	2018 Tshs	2017 Tshs
Funds received from TCCD		1,500,000
Funds received from TWaweza		1,220,000
Sub Total	-	<u>2,720,000</u>

NOTES TO THE FINANCIAL STATEMENT (Continued)

11.2 Internally Generated Income

Income under this category was raised from the following sources:

	2018 Tshs	2017 Tshs
Funds received from Institution fees from different projects/ Nurti Co.Ltd - Jan-Dec 2017	54,382,400	44,347,150
TAHEA members' regional subscription fees	-	-
Funds received from Mama's Fund Jan-Dec 2017	-	6,508,000
Interest from Jan-Dec 2017	-	39,334
Forex gain	74,204	-
Total Other Income	<u>54,456,604</u>	<u>53,614,484</u>

12. Deferred Income

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

Donor / Project	2018 Tshs	2017 Tshs
Firelight Foundation		
Fund for new project for capacity building for year 2018/19	-	147,665,864
Better Way Foundation		
New fund for Better way IECD for year 2019	-	201,039,636
Cotswold Foundation		
Cotswold Foundation project for the year 2019	17,784,250	15,077,973
Total	<u>17,784,250</u>	<u>363,783,473</u>

13. COMPARATIVE FIGURES

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