

ELIMU MWANGAZA TANZANIA

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

ELIMU MWANGAZA TANZANIA

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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ELIMU MWANGAZA TANZANIA

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 INTRODUCTION

The Directors are pleased to present the audited financial statements of Elimu Mwangaza Tanzania for the year ended 31 December 2020 which show the organization's state of affairs for the period.

2 ESTABLISHMENT

Elimu Mwangaza Tanzania is registered under the terms and conditions of Non-Governmental Organization Act, 2002, operated in the Mainland Tanzania.

3 OBJECTIVES

The objectives for which the organization is established and strives to achieve in different stages are:-

- a. To promote the provision of quality education, particularly to children.
- b. To create awareness in the communities on child rights, violence against children and reporting mechanism.
- c. To facilitate the creation of self-employment by starting development activities to family to ensure children's livelihood.
- d. To empower children with disabilities and their families.

4 BOARD OF DIRECTORS

The Directors of the Organization at the date of this report, who held office since 1 January 2020, except where otherwise stated, is as follows:-

S/N	Name	Nationality
1.	Mr. Deo Stanley Masha	Tanzanian
2.	Mr. Michael Reuben Ntibikema	Tanzanian
3.	Ms. Upendo Ally Ramadhan	Tanzanian
4.	Ms. Virginia Calist Silayo	Tanzanian
5.	Ms. Aginatha Festo Rutazaa	Tanzanian

6 CORPORATE GOVERNANCE

The Organization Board of Directors is composed of five Directors. Two Director are executive. The Board takes overall responsibility for the organization, including responsibility for identifying key risk areas, considering and monitoring operating decisions, considering significant financial matters, and reviewing the performance of organization plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Directors also recognize the importance of integrity, transparency and accountability.

7 RELATED PARTY TRANSACTIONS AND BALANCES

Transactions during the year with related parties were conducted at terms and conditions similar to those offered to other clients and in the normal course of business.

8 MANAGEMENT

The Management of the company is under the Executive Director assisted with the Director of Programs.

ELIMU MWANGAZA TANZANIA

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

9 PERFORMANCE FOR THE YEAR AND FUTURE PLANS

For the year ended 31 December 2020, the Organization has made a Surplus of TZS 31.8 million (2019: TZS 1.01 million). The Surplus for the year is due to rescheduling of some activities due to outbreak of Covid 19 disease.

Elimu Mwangaza Tanzania is in the process of preparing five year strategic plan in which will document among other things plans and strategies to obtain more funds to meeting the objectives of the organization.

10 RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control system of the company.

It is the task of management to ensure that adequate internal, financial and operational control systems are developed and maintained in an on-going basis in order to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations;
- Safeguarding of the company assets;
- Compliance with applicable laws and regulations;
- Reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

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

The Board assessed the Company's internal control systems and performance throughout the financial year ended 31 December 2020 and is of the opinion that they met the generally accepted industry criteria.

11 EMPLOYEE WELFARE

Management and employee relations

The relationship between employees and management continued to be good during the year 2020. There were no unresolved reported complaints from the employees during the year.

Management took measures to build strong workplace relations by ensuring that employees lived up to the standards of the institution's culture and values while maintaining effective communication at all levels. Staff meetings were conducted regularly to discuss various matters affecting business.

ELIMU MWANGAZA TANZANIA

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

11 EMPLOYEE WELFARE (CONT'D)

Training Activities

During the year, staff attended training that has impact in the business. Also in-house trainings are arranged regularly to align staff with the company culture.

Occupational Safety, Health and Environment

The Organization took reasonable steps to safeguard the health, safety and welfare of its employees. For example, a safe and conducive working environment was availed to all employees by providing adequate working tools, proper personal protective equipment, hygiene, training and supervision.

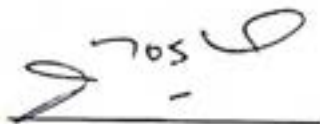
12 SOLVENCY

The state of affairs of the organization as at 31 December, 2020 is set out on page 10 of the financial statements.

13 AUDITORS

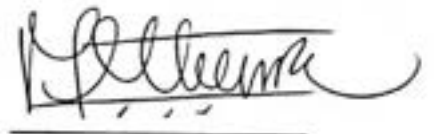
The auditors, Mhasibu Consultants have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as the Company's auditors for the subsequent year will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



Director

19th April 2021



Executive Director

ELIMU MWANGAZA TANZANIA

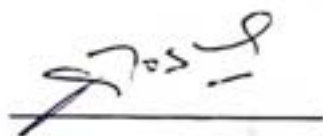
STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2020

The Established Act and Constitution of Elimu Mwangaza Tanzania requires Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the organization as at the end of the financial year and of its Surplus or Deficit for the year. It also requires the directors to ensure that the organization keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the organization. They are also responsible for safeguarding the assets of the organization and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

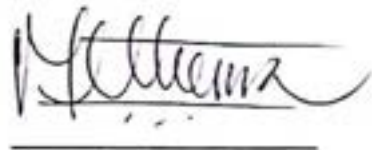
The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS Accrual Basis) and the requirements of the other laws and regulations. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization in accordance with International Public Sector Accounting Standards (IPSAS Accrual Basis). The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

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

Signed on behalf of the Board of Directors by:



Director



Executive Director

19th April 2021

ELIMU MWANGAZA TANZANIA
STATEMENT OF DECLARATION OF THE HEAD OF FINANCE

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/Accounting 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/Management 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 as under Directors Responsibility statement on an earlier page.

I Selemani Justine being the Financial Consultant of Elimu Mwangaza Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Elimu Mwangaza Tanzania as on that date and that they have been prepared based on properly maintained financial records.

Signed by: ACPA 2747

Signature.. *JML*

Position: Accountant

NBAA Membership No ACPA 2747

Date: 19th April 2021

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ELIMU MWANGAZA TANZANIA**

Report on the Audit of the financial statements

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Elimu Mwangaza Tanzania as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS Accrual Basis) and other requirements.

We have audited the financial statements of the organization set out on pages 9 to 18 which comprise the statement of financial position as at 31 December 2020 and the statement of performance for the year then ended, statement of changes in equity for the year then ended, cash flow statement for the year then ended and notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the organization's financial statements of the current period. Key audit matters are selected from the matters communicated with Board of Directors but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

We have nothing to report on Key Audit Matter.

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ELIMU MWANGAZA TANZANIA

Other information

The directors are responsible for the other information. The other information comprises directors' report but does not include the organization financial statements and our auditor's report thereon.

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

Responsibilities of the directors for the organizations financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS Accrual Basis) and other requirements, 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. The directors are responsible for overseeing the organization's financial reporting process.

Auditor's responsibilities for the audit of the Organization's financial statements

Our objectives are to obtain reasonable assurance about whether the Organization's 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 Organization's financial statements.

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

- Identify and assess the risks of material misstatement of the Organization's 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Evaluate the overall presentation, structure and content of the Organization's financial statements, including the disclosures, and whether the Organization's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

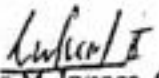
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF ELIMU MWANGAZA TANZANIA**

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Organizations members as a body and for no other purposes.


John M. Lyanga, CPA-PP
For and on behalf of Mhasibu Consultants
Certified Public Accountants
Dar es Salaam
Date... 19/04/2021



ELIMU MWANGAZA TANZANIA

STATEMENT OF FINANCIAL PERFORMANCE


FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
Receipts	Notes	TZS	TZS
Grants Received	3	97,821,126	58,854,744
Expenditures			
Salaries		21,298,706	15,940,000
Project Expenses	4	35,024,500	28,589,500
Administration Expenses	5	9,645,224	13,306,847
		<u>65,968,430</u>	<u>57,836,347</u>
Surplus/(Deficit) for the year		<u>31,852,696</u>	<u>1,018,397</u>

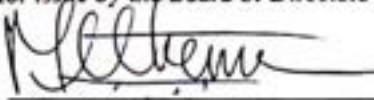
ELIMU MWANGAZA TANZANIA
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2020

	Notes	2020 TZS	2019 TZS
NON CURRENT ASSETS			
Property and Equipment's	6	<u>5,545,575</u>	<u>6,507,089</u>
CURRENT ASSETS			
Bank Balances	7	<u>42,186,130</u>	<u>41,904</u>
Total Assets		<u>47,731,705</u>	<u>6,548,993</u>
EQUITY AND LIABILITIES			
EQUITY			
Contributed Capital		984,000	-
Accumulated Surplus		<u>34,807,705</u>	<u>2,955,009</u>
Total Equity		<u>35,791,705</u>	<u>2,955,009</u>
CURRENT LIABILITIES			
Creditors and Accruals	8	<u>11,940,000</u>	<u>3,593,984</u>
Total Current Liabilities		<u>11,940,000</u>	<u>3,593,984</u>
Total fund and Liabilities		<u>47,731,705</u>	<u>6,548,993</u>

The financial statements on pages 9 to 18 were approved and authorised for issue by the Board of Directors on 19th April 2021 and signed on its behalf by:



 Director



 Executive Director

ELIMU MWANGAZA TANZANIA

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

2020	Contributed Capital TZS	Accumulated Surplus TZS	Total TZS
As at 01 Jan 2020	-	2,955,009	2,955,009
Additions	984,000	-	984,000
Surplus	-	31,852,696	31,852,696
As at 31 Dec 2020	<u>984,000</u>	<u>34,807,705</u>	<u>35,791,705</u>
2019			
As at 01 Jan 2019	-	1,936,612	1,936,612
Additions	-	-	-
Surplus	-	1,018,397	1,018,397
As at 31 Dec 2019	<u>-</u>	<u>2,955,009</u>	<u>2,955,009</u>

ELIMU MWANGAZA TANZANIA**CASH FLOWS STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 TZS	2019 TZS
Surplus (Deficit) for the year		31,852,696	1,018,397
Adjustment			
Depreciation		1,651,124	1,185,022
Changes on Working Capital			
Creditors and Accruals		7,656,406	950,983
Cash Generated from Operating Activities		<u>41,160,226</u>	<u>3,154,402</u>
Cash flows from Investing Activities			
Purchase of Equipment		-	(5,190,000)
Cash Used In Investing Activities		<u>-</u>	<u>(5,190,000)</u>
Cash flows from Financing			
Capital Contributed		984,000	-
Cash Generated from Financing		<u>984,000</u>	<u>-</u>
Increase in Cash and Cash Equivalent		42,144,226	(2,035,598)
Cash and Cash Equivalent at the beginning		41,904	2,077,502
Cash and Cash Equivalent at the End of the year		<u>42,186,130</u>	<u>41,904</u>

ELIMU MWANGAZA TANZANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
NOTES (CONTINUED)

1 REPORTING ENTITY

Elimu Mwangaza Tanzania is a Non-Government Organization incorporated in Tanzania under the Non-Government Organization Acts, 2002. The address of its registered office and principal place of business is:

P.O.Box 7535,
Moshi, Kilimanjaro,
Tanzania.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies will be consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements comply with International Public Sector Accounting Standards for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluations of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

2.2 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is recognized on accruals' basis and as when services are rendered/supplied and accepted by the customer.

2.3 Employees' benefits including post-employment benefits

Short-term employment benefits such as salaries are recognised as an expense in profit or loss in the period the employees render the services.

ELIMU MWANGAZA TANZANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, excluding the costs of day-to-day servicing. Depreciation is calculated on straight line basis to write down the cost of the asset to its residual value over the estimated useful life as follows:

Description of assets	Rate (%)
Furniture, Fittings and Equipment's	12.5
Computers	12.5

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Surplus or deficit in the year the asset is derecognised.

The asset's residual values, useful lives and methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.5 Cash and cash equivalents

Cash and cash equivalents referred in the cash flow comprise cash on hand, deposits held at call with banks with an original maturity of three months or less, due from banks on demand and investments with maturity periods of three months.

2.6 Foreign Currency Translation

a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency). The financial statements are presented in Tanzanian Shillings

ELIMU MWANGAZA TANZANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign Currency Translation (continued)

b) Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the reporting date. All differences arising on non-trading activities are taken to 'Other operating income' in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.7 Taxes

The organization non-profit exempted from tax. The organization is required to apply for the exemption certificate.

ELIMU MWANGAZA TANZANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
NOTES (CONTINUED)

	2020	2019
	TZS	TZS
3 Grants Received		
Childhope UK	-	44,030,40
Western Norway University of Applied Science	-	3,245,869
Johan Peter Magnus	2,873,627	3,847,973
Child Right & Violence Prevention fund (CRVPPF)	92,530,051	4,530,500
Manyara Community Development Organization	-	900,000
Lutheran Church Arusha	-	250,000
Tanzania Women Research Foundation	-	600,000
Obrieni School for Maasai	-	650,000
Tusonge CDO	-	500,000
Tanzania of Association Social Workers Kilimanjaro	-	300,000
Abilis Saatio Lintuland	2,417,448	-
	<u>97,821,126</u>	<u>58,854,744</u>
4 Project Expenses		
Educational Materials	4,050,000	2,652,000
Communication	848,500	840,500
Meals Expenses	6,167,500	4,814,800
HIMD Direct costs	9,600,000	-
Transport & Travelling	14,283,500	14,322,200
Other expenses	75,000	4,760,000
Training	-	1,200,000
	<u>35,024,500</u>	<u>28,589,500</u>
5 Administration Expenses		
Rent	3,180,000	1,793,365
Office Expenses	1,215,000	3,898,460
Depreciation	1,651,124	1,185,022
Utilities	199,000	167,900
Website design and Hostage	-	3,000,000
Security	1,400,000	1,137,500
Stationeries	736,100	1,414,600
Subscription fees	160,000	356,000
Accountancy Fees	1,104,000	354,000
Total	<u>9,645,224</u>	<u>13,306,847</u>

ELIMU MWANGAZA TANZANIA
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2020
 NOTES (CONTINUED)

6 Property and Equipment

2020 Costs	Furniture & Equipment	Computers	Total
	TZS	TZS	TZS
As at 01.01.2020	5,852,111	1,840,000	7,692,111
Additions	-	-	-
	<u>5,852,111</u>	<u>1,840,000</u>	<u>7,692,111</u>
Accumulated Depreciation			
As at 01.01.2020	955,022	230,000	1,185,022
Charge during the year	731,514	230,000	961,514
	<u>1,686,536</u>	<u>460,000</u>	<u>2,146,536</u>
NBV as at 31st December 2020	<u>4,165,575</u>	<u>1,380,000</u>	<u>5,545,575</u>
2019 Costs			
As at 01.01.2019	2,859,555	-	2,859,555
Additions	3,350,000	1,840,000	5,190,000
Disposal	(357,444)	-	(357,444)
	<u>5,852,111</u>	<u>1,840,000</u>	<u>7,692,111</u>
Depreciation			
As at 01.01.2019	223,508	-	223,508
Charge during the year	731,514	230,000	961,514
	<u>955,022</u>	<u>230,000</u>	<u>1,185,022</u>
NBV as at 31st December 2019	<u>4,897,089</u>	<u>1,610,000</u>	<u>6,507,089</u>

7 Bank Balances	2020	2019
	TZS	TZS
Elimu Mwangaza-Girl Project	42,112,686	22,035
Elimu Mwangaza Tanzania	73,444	19,869
	<u>42,186,130</u>	<u>41,904</u>

8 Creditors and Accruals

Accrued Salaries	11,190,000	3,593,984
Accrued Audit Fees	750,000	-
	<u>11,940,000</u>	<u>3,593,984</u>

ELIMU MWANGAZA TANZANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
NOTES (CONTINUED)

9 Currencies

The Financial Statements have been prepared in the Tanzanian Shillings which is the entity functional and presentation currency.

10 Subsequent Events Disclosure

At the date of signing the financial statements, the Directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affected the financial position of the organization and results of its operations.

11 Comparability

Where necessary previous year figures have been reclassified to be comparable with current year figures.