

TUMAINI FOUNDATION

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**ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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TUMAINI FOUNDATION

ORGANISATION INFORMATION

REGISTERED OFFICE

TUMAINI FOUNDATION,
P.O. Box 47,
CHANG'OMBE STREET-DODOMA,
TANZANIA

PRINCIPAL BANKER

EQUITY BANK

Dar es Salaam
Tanzania

INDEPENDENT AUDITOR

Bestow Associates

Certified Public Accountants (Tanzania)

AML Tower

PO BOX 990

Dar es Salaam Tel.0754092262

/0717184825

Email; **info@bestow.co.tz**

Web: www.bestow.co.tz

TUMAINI FOUNDATION

THE REPORT BY THOSE CHARGED WITH GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2022

1. INTRODUCTION

Those Charged with Governance present this report and the audited financial statements of Tumaini Foundation for the year ended 31 December 2022. The Financial Statements have been prepared and presented in compliance with the provisions of the International Public Sector Accounting Standards (IPSAS), Accrual basis, and requirements of the Tanzania Financial Reporting Standard (TFRS) No. 1: *The Report by Those Charged with Governance*.

The Financial statements for the year ended 31 December 2022 comprise a statement of financial position, a statement of financial performance, a statement of changes in net assets, and a cash flow statement, as well as the notes to the financial statements.

However, additional details such as Schedules, Summaries, and supplementary information have been included to enhance understanding and comparison of information presented in these financial Statements. During the year ended 31 December 2022, there were neither event that impacted the financial position of the Tumaini Foundation, nor future factors that are likely to affect the Organization.

The accounting policies adopted and set out in the notes to the financial statements include foreign currency translation, Employee benefits, Revenue from Exchange & Non-Exchange Transactions, Property, Plant, and Equipment, Impairment of Non- Cash Generating Assets, Inventories, Related Party Transactions, Intangible Assets, Risk Management, and Deferred Income (Revenue and Capital).

2. THE NATURE AND BACKGROUND OF TUMAINI FOUNDATION

2.1. Background of TUMAINI FOUNDATION

TUMAINI FOUNDATION is a non-profit, member-based, non-government organization that helps most vulnerable children in our community in mainland Tanzania, to make sure that they have equal opportunity in accessing education, safety, and basic needs.

It was established in 2020 on 13th July and registered under the Non-Governmental Organizations Act, 2002 with Registration No. 00NGO/R/1206. TUMAINI Foundation Over the years, has been realizing its specific objective through five focal areas which are; (i) Promote education to the community, (ii) Raise awareness to the community on health matters, (iii) Mobilize community to support vulnerable, (iv) Encourage them involvement and participation in community.

Vision of TUMAINI

To creating better life for orphans and widows in Tanzania.

Mission of TUMAINI

To be a leading NGO in changing the child's and widows' hopeless life to hopeful life by cooperating closely with government, international organizations, agencies and private sectors.

Objectives of TUMAINI

TUMAINI FOUNDATION

The objective of TUMAINI is to promote Education to the community.

1.1. Principal Activities

TUMAINI continues implementing activities that aim at realizing the objective of promoting Education to the community in Mainland Tanzania through strategies areas of:

- (i) To raise awareness to the community on health matters.
- (ii) Mobilize community to support vulnerable.
- (iii) Encourage them involvement and participation in community development.
- (iv) Promote entrepreneurship skills to community

1.2. Membership network

TUMAINI FOUNDATION shall be voluntary and open to any individual who has attained the age of 18 years and above, of sound mind and who is ready to join hands in supporting and promoting vision, mission and objectives of the Organization.

There shall be two types of members

- i) **Founder members:** These are members who made the initiatives to establish this Organization
- ii) **Ordinary members:** These are members who join the organization after its establishment;

2. OUR MAIN SOURCES OF FINANCE:

The sources of funds for the Organization shall be-

- (i) Entry and Annual fees
- (ii) Fundraising
- (iii) Legal gifts from friends
- (iv) Grants, donations
- (v) Income generating activities

3. CORPORATE GOVERNANCE

TUMAINI, through its Board members, upholds and practices the principles of good corporate governance. The Board members consist of 5 members, including the Chairperson. The Board members take overall responsibility for the Organization, including responsibility for identifying key risk areas, considering and monitoring fundraising decisions, and considering significant financial matters, and reviewing the performance of management, 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 Chairperson delegates the day-to-day management of the operations of the Organization.

BOARD MEMBERS

The term of the current Board Members, consists of:

- (1) Tumaini Kivuyo (Chairperson)
- (2) Joseph Mashel (General secretary)
- (3) Fides Joseph Magige (Treasurer)
- (4) Jackline Judith Drummond (Member)
- (5) Isaac Richardson (Member)

TUMAINI FOUNDATION

The Board Members held two (2) ordinary meetings during 2022. All members of the Board showed themselves to be willing and devoted their time required for the Board meetings. The Board Members was not entitled to be paid any fee during the year. They offer their services voluntarily.

3.1. Functions and Duties of the Board of Director

- a) To make Rules and Regulations;
- b) To protect and advance the image of the Organization;
- c) To recruit staffs;
- d) To participate in developing Organization's Strategic plans;
- e) To appoint auditor(s);
- f) To convene projects to be carried out by Organization, conduct or cause to be conducted feasibility studies for such project and submit the same for approval by the General Meeting;
- g) To form different committees of the Organization where necessary.

3.2. Powers/Functions of the Annual General Meeting

- i) Discuss new members for admission and discipline and expel members.
- ii) Discuss and approve annual budgets, plans, physical and financial implementation reports.
- iii) Amend the Constitution;
- iv) Electing office bearers of the Organization;
- v) Electing office bearers of the Organization;
- vi) Approve issues originated from the Board of Directors;
- vii) To appoint Board of Directors;

4.3. Key Secretariat Team

The Secretariat of TUMAINI FOUNDATION is under the Board of Director members of which the management of the day-to-day activities is vested to the Executive Secretary. The secretariat team who served during the year are as follows:

Table:1

S/N	Name	Position
1	Tumaini Kivuyo	Chair person
2	Joseph Mashel	General Secretary
3	Fides Joseph Magige	Treasurer
4	Jackline Judith Drummond	Member
5	Isaac Richardson	Member

4. CURRENT AND FUTURE DEVELOPMENT PLANS

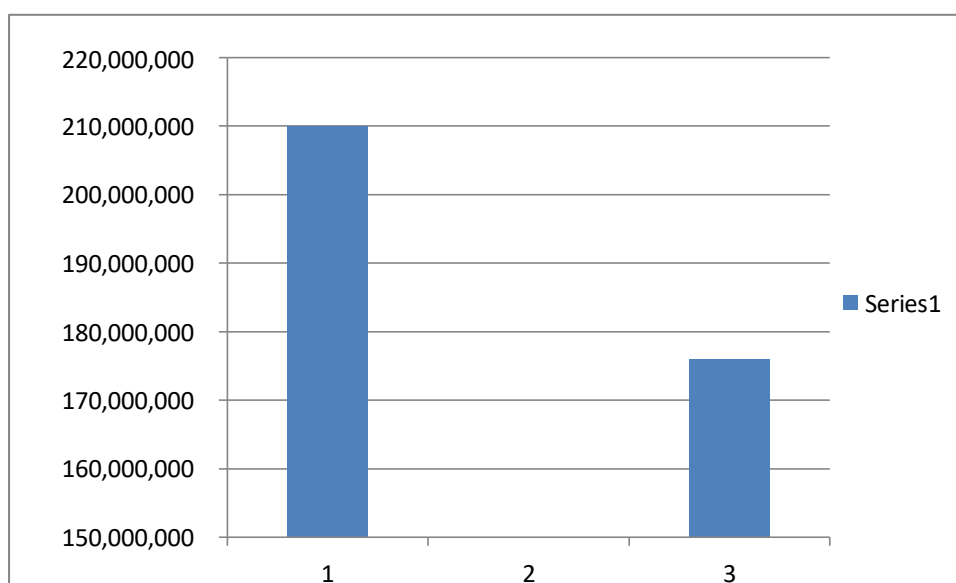
TUMAINI is there for standing for the most vulnerable children in our community. The Future Development Plans of The Organization is to promote education, raise awareness to the community, and to promote entrepreneurship skills all over the community in Tanzania Mainland who are vulnerable.

5. KEY PERFORMANCE INDICATORS

5.1. Financial Performance

In 2022, TUMAINI FOUNDATION received TZS 33,066,500 from donors and TZS 176,949,031 from other sources. The funding trend for two years is shown below:

Table1: Income comparison between 2022 and 2022



	Income From Donors	Income From Other sources	Total Income
2022	33,066,500	176,949,031	210,015,531
2021	20,021,000	156,068,000	176,089,000

(i). Revenue/Grants

Grant received from donors Increased from TZS 20,021,000 in 2021 to TZS 33,066,500 in 2022. Other Funds received from other sources significantly increased from TZS 156,068,000 in 2021 to TZS 176,949,031 in 2022. The total income for 2022 was higher than that in 2021.

(ii). Expenditure Comparison

Most expenditure categories Administrative expenses, Project Direct Cost, Personnel expenses. The total expenditure in 2022 matched the total income, leading to a balanced result.

(iii) Distribution of expenditure

During the year under review, 82.4% of the organization expenditure, which is equivalent to TZS 173,031,919, was utilized for project direct expenses while 7.9% which is equivalent to TZS 16,500,000 was utilized for staff salaries and 4.50% was utilized for other office running expenses equivalent to TZS 9,446,000.

5.2. Key Performance Indicators during the Year 2022

TUMAINI FOUNDATION developed its plan to carry out its activities through collaboration with donors, partners, and other stakeholders. During the year 2022, TUMAINI, in collaboration with donors, partners, and other stakeholders, performed several projects in project areas.

6.3 RISK MANAGEMENT AND INTERNAL CONTROL

The Executive Committee accepts final responsibility for the risk management and internal control systems of the Organization. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- i) The effectiveness and efficiency of operations;
- ii) The safeguarding of the Organizations' assets;
- iii) Compliance with applicable laws and regulations;
- iv) The reliability of accounting records;
- v) Projects/Program sustainability under normal as well as adverse conditions; and
- vi) Responsible behaviors 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 with such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the organization's system is designed to provide the Executive Committee with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 2022 and thinks that they met the accepted criteria.

INTERNAL CONTROLS

The Executive Committee is overall responsible for the organization's system of internal controls. Whilst no internal control system can provide absolute assurance against material misstatements or losses, the Organizations' system is designed to provide the Executive Committee with reasonable assurance that the procedures are operating effectively. The key elements of the system of internal control are as follows:

i) Delegation

The Executive Committee agrees on the board's overall objectives and delegates the day-to-day operations to the Executive Secretary and Secretariat team for execution. There is a clear organizational structure with details of lines of authority.

ii) Budgets

Detailed annual budgets are prepared by the Secretariat for review and approval by the Executive Committee. The annual budgets are derived from the approved plan.

a) Employees' Benefit Plan

The Organization pays contributions to a publicly administered pension plan, which is NSSF, on a mandatory basis, which qualifies to be a defined contribution plan. The average number of employees during the year was 4.

b) Gender Parity

Tumaini Foundation is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position, free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability, which does not impair the ability to discharge duties. During the year 2022, Tumaini Foundation had an average of 5 employees, out of whom 1 was female and 4 were male.

Table: 2: Employees by Gender comparison between 2022 and 2021

Gender	2022	2021
Females	1	1
Males	4	4
Total	5	5

6. CORPORATE SOCIAL RESPONSIBILITY

This is a concept that TUMAINI FOUNDATION has an obligation to consider the interests in respect of members, employees, communities and environmental considerations in all aspects of their operations. TUMAINI FOUNDATION considers Corporate Social Responsibility (CSR) as one of the activities that optimize good relationships with surrounding communities and communities where the project is being implemented.

A sound environment for all is the key to overall social and economic success of any country. TUMAINI FOUNDATION recognizes the importance of a clean and healthy environment and support various activities geared towards its achievement and improvement.

TUMAINI FOUNDATION complied with standards of Industrial Safety and Environmental Regulations established by various authorities to the best of its knowledge.

7. HIV/AIDS POLICY

TUMAINI FOUNDATION recognizes the seriousness of the HIV/AIDS Pandemic and its negative impact on the capacity to realize the National Agenda on making Tanzania free from the epidemic. TUMAINI FOUNDATION has adopted a National HIV/AIDS policy and prepared its HIV/AIDS

Strategies, which aim at raising HIV/AIDS awareness among its employees and beneficiaries.

8. ENVIRONMENTAL ISSUES

TUMAINI FOUNDATION believes that taking care of the ecological environment is a solemn responsibility for every human being. The Secretariat and Executive Committee have embraced a culture of responsible living, with the ultimate intention of building a sustainable work

Environment that has minimal or nil adverse effects on the environment.

9. RELATED PARTY DISCLOSURES**Key Management Personnel**

Para 34 (a) of IPSAS 20 on Related Party Disclosures for the Key Management Personnel requires an entity to disclose the aggregate remuneration of Key Management Personnel and the number of individuals determined on a full-time equivalent basis, and by showing separately major classes and including a description of each class.

10. APPOINTMENT OF AUDITORS

The auditors, *BESTOW Associates*, were appointed by the Organization, by provisions of the Tanzania Society's Act 2002, to audit the financial statements for the year ended 2022. Although there are no defined rotation requirements, they have expressed their willingness to continue in office and are eligible for re-appointment. The auditor's registered office is AML Tower and P.O.BOX 990 Dar es Salaam Tanzania. The firm is registered with the National Board of Accountants and Auditors (NBAA) under Reg. No. PF 479 and with Tanzania Revenue Authority (TRA) under TIN No. 130-159-818.

11. RESPONSIBILITY OF THE AUDITORS

In connection with the audit of the Financial Statements, the auditors' responsibility is to express an opinion on the financial statements based on their audit done by the International Standards on Auditing. Regarding the report by those charged with governance, the responsibility of the auditors is to read the report by those charged with governance and, in doing so, consider whether the information herein is materially inconsistent with the Financial Statements of their knowledge obtained in the audit or otherwise appears to be materially misstated. If they conclude that there is a material misstatement of the report by those charged with governance, they are required to report and disclose that fact in their audit report for the year under review.

12. STATEMENT OF COMPLIANCE

The report by those charged with Governance has been prepared in full compliance with Tanzania Financial Reporting Standard No. 1 (Report by those Charged with Governance) and constitutes an integral part of the financial statements. The report has also complied with all other statutory legislations.

This report was approved by those charged with Governance and signed on their behalf by:

..... 

Date.....30th May 2023.....

Chairperson

TUMAINI FOUNDATION

STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022

The Society Act, 2002 requires the Executive Secretary, as those charged with governance, to keep proper books of account which give a true and fair view of the state of affairs of the Organization at the end of the financial year and of its operating results for that year. It also requires those charged with governance to ensure that the Organization keeps proper accounting records that disclose with reasonable accuracy the financial position of the Organization. Those charged with governance are also responsible for safeguarding the assets of the Organization.

Those charged with governance are responsible for the preparation of financial statements that give a true and fair view by International Public Sector Accounting Standards (IPSASs) and the requirements of the Society Act, 2002, and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the manner required by the Society Act, 2002. Those charged with governance think that the financial statements give a true and fair view of the state of affairs of the organization and its operating results. Those charged with governance further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of those charged with governance to indicate that the Organisation will not remain a going concern for at least the next twelve months from the date of this financial statement.

This statement was approved by those charged with Governance and signed on their behalf by:

..... 

Chairperson

.....30th May 2023.....
Date

.....

Executive Secretary

.....
Date

TUMAINI FOUNDATION

DECLARATION OF THE FINANCIAL ACCOUNTANT FOR THE YEAR ENDED 31 DECEMBER 2022

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

A Professional Accountant must assist the Executive Committee in discharging the responsibility of preparing financial statements of an entity showing the true and fair view of the entity's 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 Executive Committee as under their Responsibility statement on the foregoing page.

I, CPA WITNES RONALD SWAI being the Financial Accountant of TUMAINI FOUNDATION hereby Acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2022 has 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 TUMAINI FOUNDATION's financial records.

Signed by:

Name: WITNESS RONALD SWAI

Signature:



Position: ACCOUNTANT

NBAA Membership No...GA 13387

Date:30th May 2023.....

**Bestow Associates**

Certified Public Accountants (Tanzania)
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INDEPENDENT AUDITOR'S REPORT**To the Members of Tumaini Foundation****REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022.****Unqualified Opinion**

We have audited the accompanying financial statements of Tumaini Foundation ("the Organization") which comprise of the Statement of Financial Position as at 31 December 2022, Statement of Financial Performance for the year that ended, Statement of Changes in net assets for the year that ended, Statement of Cash Flows for the year that ended, and Statement of Budget against actual spending for the year 2022, Notes to the Financial Statements and summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial performance of the Organization for the year ended 31st December 2022 in accordance with the International Public Sector Accounting Standards and requirements of the Tanzania Society Act, No. 24 of 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' 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), together with the 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 and the ethical requirements of the NBAA.

Other Information

The Board is responsible for the other information, which comprises the report by those charged with Governance, Statement of those charged with governance's responsibility, and Declaration of the Head of Finance.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements of our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained before the date of this auditor's report, 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 the Executive Committee for the Financial Statements

The Board is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Society Act, No. 24 of 2002, and for such Internal controls as the Board determines are 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 Board is 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 Board either intends to liquidate the Organization or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Board.

- iv) Conclude on the appropriateness of the Board' 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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization 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.

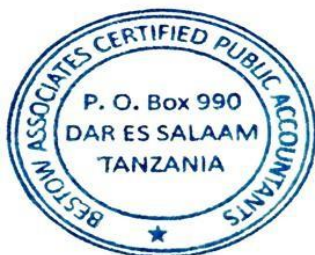
Obtain sufficient appropriate audit evidence regarding the financial information of the entity or operational activities within the Organization to express an opinion on the Financial Statements. We are responsible for the direction, supervision, and performance of the Organization audit. We remain responsible for our audit opinion. 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.

We also provide those charged with governance 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.

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

The engagement partner on the audit resulting in this independent auditor's report is CPA Goodluck Msuya.

Yours faithfully,



Signed by: CPA Goodluck Msuya
Managing Partner
Bestow Associates
NBAA Registration No. ACPA 3914
Dar es Salaam

Date **30th May 2023**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR
THE
YEAR ENDED 31st DECEMBER 2022**

		2022		2021
RECEIPTS		TZS		TZS
Funds Received (Donors)		33,066,500		20,021,000
Funds Received from other sources		<u>176,949,031</u>	—	<u>156,068,000</u>
Total Receipts		<u>210,015,531</u>	==	<u>176,089,000</u>
 PAYMENTS				
Administration expenses	4	9,446,000		6,020,000
Project Direct Cost	5	173,031,919		154,125,700
Personnel expenses	7	16,500,000		14,500,000
Finance Cost	6	1,479,331		1,212,550
Depreciation	2	<u>9,558,281</u>	—	<u>10,548,750</u>
Total payments		<u>210,015,531</u>	==	<u>186,407,000</u>
 Surplus/(Deficit)		<u><u>-</u></u>	==	<u>(10,318,000)</u>

Note 1 to 12 from an integral part of these accounts

Chairperson...  Date 30th May 2023 Managing Director..... 

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 Tsh	2021 Tsh
ASSETS			
Current assets			
Cash and bank Equivalents	8	9,789,031	230,750
Stocks	9	500,000	-
Receivable and Prepayments	10	-	-
		<u>10,289,031</u>	<u>230,750</u>
Non-current assets			
Property Plant and Equipment	2	149,282,969	158,841,250
Capital Work In Progress	2	-	-
Total Non-Current Assets		<u>149,282,969</u>	<u>158,841,250</u>
TOTAL ASSETS		<u>159,572,000</u>	<u>159,072,000</u>
Current Liabilities			
Provision and Accruals	11	-	-
Deferred grant Income	14	20,607,030.99	10,548,750
		20,607,030.99	10,548,750
Non-Current Liabilities	12		
Total non-current liabilities		-	-
Total Liabilities		<u>-</u>	<u>-</u>
NET LIABILITIES		<u>138,964,969</u>	<u>148,523,250</u>
EQUITY			
Capital Grant	15	149,282,969	158,841,250
Accumulated surplus/(Deficits)		<u>(10,318,000)</u>	<u>(10,318,000)</u>
TOTAL EQUITY		<u>138,964,969</u>	<u>148,523,250</u>

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST DECEMBER 2022

		2022	2021
	Notes		
Cash flows from operating activities			
Receipts			
Revenue from Donors	2	33,066,500	20,021,000
Other Income		<u>176,949,031</u>	<u>156,068,000</u>
Total Receipts		210,015,531	176,089,000
Payments			
All Expenditures	12	<u>200,457,250.91</u>	<u>175,858,250</u>
Net cash inflow from operating activities		9,558,280.99	230,750
Cash flows from investing activities			
Capital Grant Received		-	10,548,750
Addition of Fixed asset		-	-
Disposal of Asset		-	-
Amortization of capital Grant		<u>-</u>	<u>(10,548,750)</u>
Net cash flow from investing activities		-	-
Cash flows from financing activities			
Loan repayment		<u>-</u>	<u>-</u>
Net cash flow from financing activities		-	-
Net cash inflow for the year		9,558,280.99	230,750
Cash and cash equivalent as at 1 January		<u>230,750</u>	<u>230,750</u>
Cash and cash equivalents as at 31 December 2022		<u>9,789,030.99</u>	<u>230,750</u>

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Accumulated Surplus/(Deficit)	TOTAL ACCUMULATED SURPLUS/(DEFICIT)
	<u>(TZS)</u>	<u>(TZS)</u>
Balance at 1 January 2022	(10,318,000)	(10,318,000)
Additional	-	-
Restated	(10,318,000)	(10,318,000)
Surplus/(Deficit) for the year	-	-
Balance at 31 December 2022	<u>(10,318,000)</u>	<u>(10,318,000)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

1. ORGANIZATION INFORMATION

The requirements of IPSAS 1 Presentation of Financial Statements and IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors. The organization information is presented on page (iii) of this report. The numbering of Notes in these financial statements starts with Notes 1 to 20 on pages 27 to 38.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These Financial Statements comply with International Public Sector Accounting Standards - Accrual Basis of Accounting, the measurement bases applied are historical cost adjusted for revaluation of assets to ascertain the deemed cost. Financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the period.

a. Basis of Preparation

These Financial Statements have been prepared on a going concern basis and accrual basis of accounting; the measurement bases applied is historical cost. The accounting policies have been applied consistently throughout the period.

b. Statement of Compliance

Tumaini Foundation's financial statements have been prepared by International Public Sector Accounting Standards (IPSASs), the requirements of the Tanzania Society Act, No. 24 of 2002, and Tanzania Financial Reporting Standard No. 1 (the Report by those charged with Governance).

c. Reporting Entity

The Reporting entity of these Financial Statements is the Tumaini Foundation includes all donors' income and expenditures that occurred during the year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those applied in the previous financial year, as shown below:

Foreign currency translation

a) Functional and presentation currency

Items included in the Financial Statements of TUMAINI FOUNDATION are measured using the currency of the primary economic environment in which the Organization operates (the functional currency). The Financial Statements are presented in Tanzanian Shillings (TZS), which is the TUMAINI FOUNDATION's functional and presentation currency. The Tanzanian Shilling currency as at 31st December 2022 was TZS 2,331.9998 per US Dollar transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the statement of income and expenditure.

b) Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial

performance.

c) Cash and Cash Equivalents

Tumaini Foundation comprises cash in hand and demand deposits with banks. Cash equivalents comprise short-term bank deposits with an original maturity of specific months. During the period under review, the organization had a sum of TZS 6,389,031 as a fund balance with its banker at the year-end for the purpose of the Cash Flow Statement. Cash and cash equivalents consist of Cash and Cash Equivalents as defined above.

d) Unspent cash balances

In accordance with the requirement of the Donor agreement and guidance, Unspent cash balances by TUMAINI at the end of the financial year deferred next year for the ongoing project activities, and unspent balances will be used for other purposes intended.

e) Revenue from Non-Exchange Transactions

Revenue from Non-Exchange Transactions is governed by IPSAS 23 for TUMAINI FOUNDATION, which comprises Donor's funds received specifically for the project implementation and transfers. The following specific recognition criteria must also be met before revenue is recognized:

Donor Grants and Members' contributions

Donors' grants are not recognized until there is reasonable assurance that TUMAINI FOUNDATION will comply with the Donor agreement conditions attached to them and the grants will be received. Donor grants whose primary condition is that the TUMAINI FOUNDATION should purchase, construct, or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to the statement of financial performance upon utilization of funds received (amortization). Other donor grants are recognized as income over the periods necessary to match them with the Project costs for which they are intended to compensate, on a systematic basis. During the period under review, the organization received a total of TZS 210,015,531 in 2022 compared to TZS 186,407,000 in 2021 for approved expenditure.

Deferred Income

This relates to the revenue grant received, in which the related expenses have not been incurred, therefore, the amount has been deferred to the next financial period. Grants received in monetary form for the project are recognised as Deferred Income revenue in the statement of Financial Position and are released to the statement of performance.

Grants received in monetary form for capital expenditure are recognised as deferred income-capital in the statement of Financial Position and are released to the statement of performance during the utilization of the fund.

During the financial year, TUMAINI's Deferred Revenue is as per page 29 of this report.

f) Accounts Payables

Accounts payable are financial liabilities in respect of goods or services that have been received by TUMAINI FOUNDATION and are recognized at cost. Accounts payable include invoices received and approved for payment but not yet paid.

g) Property, Plant and Equipment

Item of Property, Plant, and Equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

h) Depreciation of Property, Plant and Equipment

TUMAINI has adopted a reducing balance method for depreciation of Assets, which is allocated systematically over the useful life of the respective assets and the accounting policies applicable.

The depreciable amount of an asset shall be allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation shall be applied over the useful life of the assets. In accordance with the Generally Acceptable Valuation Principles (GAVP), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

i) Estimated Useful Life (EUL)

Assets ran an economic life peculiar to themselves, depending on make, constant handling, and operational use. Some assets are continuing to be in use much beyond the EUL due to periodical maintenance and repairs. Assets' expected life is projected in ranges as follows:

<u>Description</u>		<u>Rate P.a %</u>
<i>Administration assets</i>		
Office furniture and fittings		12.5%
Equipment		12.5%
Computer and other equipment		25%

j) Impairment of Non-Cash Generating Assets

Non-cash Generating Assets are those assets managed by TUMAINI FOUNDATION without an intention of generating a commercial return from such assets. TUMAINI FOUNDATION assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the TUMAINI FOUNDATION estimates the asset's Recoverable Amount.

During the reporting period, there were no indicators for impairment that could lead to conduct impairment test.

c) Inventories

Inventories which comprise Stationeries and other consumables are held for office use. The cost of inventories comprises the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is directly expensed in the statement of financial performance during the year.

d) Receivables

Receivables are Non-Derivative Financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in surplus/deficit when the receivables are derecognized or impaired, as well as through the amortization process. During the reporting period, the receivables include Prepaid Expenses and Amount due from Insurance.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the TUMAINI's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

a) Judgments

In the process of applying the accounting policies, management has made judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements: -

b) Determination of the useful life of PPE

Management uses reasonable judgment in determining the useful life and, hence depreciation rates of the items of Property, Plant, and Equipment. The residual values, useful life, and methods of depreciating property, plant, and Equipment are reviewed and adjusted if appropriate at each financial year.

c) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

d) Provisions

Provisions are recognized when TUMAINI FOUNDATION has a present obligation (legal or constructive) as a result of a past event, an outflow of resources embodying economic benefits will probably be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the settlement amount of the expenditure required to settle the obligation at the reporting date. Management reviews provisions at each reporting date to adjust for changes to reflect the current best estimate. If it embodying economic benefits or service potential is required to settle the obligation, the provision shall be reversed. Provisions are utilized only for the purposes for which they were originally intended. During the year, provision of audit fees was made in the statement of financial performance.

5. STANDARD AMENDMENTS AND FUTURE CHANGES IN ACCOUNTING POLICIES

Standard issued but not yet effective up to the date of issuance and some amendments thereto which might have an impact on the entity's Financial Statements.

a) IPSAS 41- Financial Instruments

IPSAS 41- Financial Instruments establishes new requirements for classifying, recognizing, and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurements.

This Standard:

- (i) Introduces a classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- (ii) Applies a forward-looking expected credit loss model for financial that applies to all financial instruments subject to impairment testing; and
- (iii) Introduces a hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The entity is currently assessing the impact of this standard.

b) IPSAS 42-Social Benefits

This standard guide accounting for social benefit expenditure.

- (i) It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effects of social risks.
- (ii) Specific examples include state retirement benefits, disability benefits, income support, and unemployment benefits. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment.
- (iii) This standard was supposed to be effective for annual financial statements covering the period beginning on or after 1st January 2021, however, due to the COVID-19 pandemic, its effectiveness has deferred to 1st January 2022. The entity is currently assessing the impact of this standard.

6. RISKS MANAGEMENT

Tumaini Foundation is subject to a number of financial and operational risks, hazards, and strategic risks and is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation. The following are the types of risks: -

a) Operational Risks

Operational risks are the prospect of loss resulting from inadequate or failed procedures, systems, or policies, Employee errors, System failures, or may occur from external events.

Mitigation.

The TUMAINI FOUNDATION has adequate operational risk policies and frameworks that cater to the mitigation of these risks.

b) Financial Risks

Financial risks are those losses resulting from the use of money without an equivalent value addition to TUMAINI FOUNDATION operations. The Financial Risks include Foreign Exchange Risks, fraud risks, and Liquidity Risks as described here under:

c) Fraud Risk

Fraud risk refers to the risk of loss due to embezzlement of project funds.

Mitigation.

Value for money and Monitoring and evaluation team conducts quarterly monitoring and auditing of money spent in the field as per accounting policy.

d) Foreign Exchange Risk

Foreign exchange risk refers to the risk of loss due to adverse movements in foreign exchange rates.

Mitigation.

A range of actions is currently being used to minimize TUMAINI's exposure to foreign exchange risk, including currency. These measures are projections of exchange rates and use negotiated exchange rates offered by bankers.

e) Liquidity Risk

Liquidity risk refers to the loss due to the lack of liquidity, preventing quick field implementation and general administration support costs.

Mitigation.

Liquidity risk is managed on an individual donor basis, which generally requires a donor to transfer funds quarterly or to transfer an advance payment, thereafter reimbursement of costs incurred within a short period

f) Compliance Risks

These risks arise from violations or non-compliance with laws, regulations, and directives, as well as from incorrect interpretation of relevant laws or regulations.

Mitigation.

TUMAINI FOUNDATION has adequate Operational and Financial controls, which ensure that it complies with all laws, regulations, and directives. TUMAINI FOUNDATION has dedicated one person to reviewing compliance with laws and regulations affecting the organization.

g) Technical risks

Refers to the possible impacts that could occur within the organization's operations when the system or the entire infrastructure does not work as anticipated.

h) Risk Management and Controls

TUMAINI FOUNDATION has identified, assessed, and developed a Risk register, and the process of updating was carried out during the year under review and considering changes and new developments in the environment in which the Ministry is currently operating.

The Risk Register provides a comprehensive list and assessment of all risks that, if they occur, might impact or threaten the ability of the organization to achieve its strategic objectives and targets.

In every risk title, risk causes and consequences have been established along with mitigation controls currently in place. A Risk Mitigation Action Plan has been prepared, and its implementation is monitored

7. EVENTS AFTER THE REPORTING DATE

Events after the reporting date are those events, favorable and unfavorable, that occur between the end of the reporting date and when the financial statements are authorized for issue. Two types of events can be identified as follows: -

- i) Those that provide evidence of conditions that existed at the end of the reporting date (adjusting events after the reporting date); and
- ii) Those that is indicative of conditions that arose after the reporting date (non- adjusting events after the reporting date). No events after the reporting date need to be disclosed or included in the financial statements.

Table 4

NOTE :2 PPE MOVEMENT					
Assets	Building(WIP)	Furniture's & Fittings	Computers & Accessories	Tools and Equipments	Total
Original Cost	150,000,000	10,890,000	2,500,000	6,000,000	169,390,000
Additions(Disposal)	-				-
Total	150,000,000	10,890,000	2,500,000	6,000,000	169,390,000
Depreciation rate %	5%	12.50%	37.50%	12.50%	
Acc. Depreciation as at 1/1/2022	7,500,000	1,361,250	937,500	750,000	10,548,750
Charge for the year	7,125,000	1,191,094	585,938	656,250	9,558,281
Acc. Depreciation as at 31/12/2022	14,625,000	2,552,344	1,523,438	1,406,250	20,107,031
Net book value 2022	135,375,000	8,337,656	976,563	4,593,750	149,282,969
Net book value 2021	142,500,000	9,528,750	1,562,500	5,250,000	158,841,250

NOTE3: RECEIPTS

Funds Received FCS	33,066,500	20,021,000
Funds Received from other sources	176,949,031	156,068,000
TOTAL	210,015,531	176,089,000
Office rent	1,200,000	1,200,000
Water and electricity	2,500,000	1,980,000
General cleanliness cost	1,050,000	-
Stationery	2,780,000	1,080,000
Repairs and maintenance	546,000	450,000
Telephone and Internet	650,000	590,000
Security cost	720,000	720,000
TOTAL	9,446,000	6,020,000

**NOTE 5 :PROJECT, PROGRAM
AND EDUCATIONAL EXPENSES**

School fees and education program	52,480,000	50,570,000
Meals and accommodation	59,800,000	57,089,000
Medical Services	22,000,000	18,417,000
Training and Conference and entrepreneurship	20,500,000	15,300,000
Consultancy	-	-
Subsistence Allowance	600,000	450,000
Transport	7,681,919	5,949,700
Widows Project	2,870,000	2,760,000
Kids Tours and Safaris	3,450,000	2,540,000
Entrepreneur	3,650,000	1,050,000
TOTAL	173,031,919	154,125,700

NOTE 6: FINANCE COST

Bank charges	1,479,331	1,212,550
Interest Expenses	-	-
Total	1,479,331	1,212,550

NOTE 7: PERSONNEL EXPENSES

Salaries and Wages	16,500,000	14,500,000
TOTAL	16,500,000	14,500,000

NOTE 8: CASH AND CASH EQUIVALENT

Bank (TZS)	6,389,031	230,750
Cash (TZS)	3,400,000	-
TOTAL	9,789,031	230,750

NOTE 9: STOCKS

Inventory Asset	500,000	-
Stock and other assets	-	-

	500,000	-
NOTE 10: Receivables AND PREPAYMENTS		
Prepaid Rent	-	-
Employee's salary advance	-	-
TOTAL	-	-

NOTE11: PROVISION AND ACCRUALS

Trade creditors	-	-
PAYE Payable	-	-
Audit Fee Payable	-	-
TOTAL	-	-

NOTE 12: LOAN

Loan	-	-
	-	-

NOTE 14:DIFERED GRANT INCOME

	2022	2021
Opening balance	10,548,750	-
Fund received during the year (Contributions and Donations)	210,515,531	186,907,000
Amortization of Capital Grant Note 2	9,558,281	10,548,750
Other Income - Gain / Loss on Exchange	-	-
Interest earning	-	-
Proceeds From Insurance Claim	-	-
Total Grant Income	230,622,562	197,455,750
Fund Spends during the year	(210,015,531.26)	(186,907,000)
Total Differed Income	20,607,031	10,548,750

NOTE 15: CAPITAL GRANT	2024	2023
Opening Balance	169,390,000	169,390,000
Additional	-	-
Disposal	-	-
Prior year adjustments	-	-
Capital Grant at Cost	169,390,000	169,390,000
Amortization as at 01.01.2024	(10,548,750)	-
Current year amortization	(9,558,281.25)	(10,548,750)
Total	149,282,968.75	158,841,250

Note 13: Capital Commitments

There were no capital commitments contracted for and outstanding as at 31 December 2022.

Note 14: Contingent Liabilities

There were no contingent liabilities as at 31 December 2022.

Note 15: Reconciliation Statement of Actual Expenses as per Requirement of IPSAS 2.

	2022	2021
RECONCILIATION OF ACTUAL EXPENSES		
Cash Flows Statements Payments		
Payments for Expenditures		
Opening Balance - Payables and Accruals	-	-
Administration expenses 4	9,446,000	6,020,000
Project Direct Cost 5	173,031,919.01	154,125,700
Personnel expenses 7	16,500,000	14,500,000
Finance Cost 6	1,479,331	1,212,550
Total Expenditures	200,457,250.01	175,858,250
Receivable movement	-	-
Closing Balance payable and Accruals	-	-
Actual Expenditure paid during the year	200,457,250.01	175,858,250

Note 17: Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party by participating in its financial or operational policy decisions.

Transactions with related parties are consummated on terms substantially equivalent to those that prevail in an arm's length transaction.

Key management remuneration

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of that entity.

Remuneration paid to key management personnel who were on contractual terms is as set out below:

S/ N	Description	Number of Board members	2022 TZS	2021 TZS
1	Chairperson, Managing Director	5	NIL	NIL
Total			NIL	NIL

NOTE 18: COMPARATIVE FIGURES

Previous year's figures have been restated and re-grouped wherever considered necessary to make them comparable with current year's figures.

NOTE 19: AUTHORIZATION FOR ISSUE

The financial statement of TUMAINI FOUNDATION has been authorized for issue by the Managing Director in May 2023.