

C-SEMA

REPORTS AND FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2018

CSEMA

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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PRINCIPAL ACTIVITIES

The principal activity of C-sema is to deal with child protection in the area of child helpline. It serves as an active and effective organization advocating on children rights to education, basic needs and other related children matters by availing a reporting mechanism through which children, their guardians and interested people can report cases of children abuses, violence and other undesirable acts against children. C-Sema was incepted in the Year 2011 and began its operations in the same year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the Directors/Management's responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the business as at the end of the financial year and of the operating results of the business for that year. It is also required for the directors/management to ensure that the organisation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the business. They are also responsible for safeguarding the assets of the organization or business.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the International Public Sectors Accounting Standards 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.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the International Public Sectors Accounting Standards. 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 business and of its operating results. The directors 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 the directors to indicate that the organization or business will not remain a going concern for at least the next twelve months from the date of this statement.

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DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING C-SEMA

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/Governing Body/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/Governing Body as under Directors Responsibility statement on an earlier page.

I Richard Manamba being the Head of Finance/Accounting of C-SEMA hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December 2018 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 C-SEMA as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Richard Manamba
Position: Finance Manager

NBAA Membership No.: ACPA 2617

Date: 17/04/2019



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AUDITORS' REPORT ON ACCOUNTING FOR THE YEAR ENDED 31ST DECEMBER, 2018

We have audited the statement of financial position, statement of Revenue and Expenditure and the statement of Cash flow of C-SEMA, for the year ended 31st December 2018. The financial statements are in agreement with the accounting records and we obtained the information and explanation we required.

Respective Responsibilities of Directors and Auditors

The organisation's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and International Public Sector Accounting Standards. Our responsibility is to form an independent opinion based on our audit on those statements and to report our opinion to you.

Basis of Our Opinion

We have conducted our audit in accordance with *International Standards on Auditing*. Those standards require that we plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

Matters affecting Opinion

In common with many organizations of similar sizes and organizations, the organisation's system of internal control and financial sustainability is dependent upon close involvement of the directors/owners. Where independent confirmation of the completeness of accounting records was therefore not available, we have accepted assurance from the directors/owners that all the organization's transactions have been reflected in the accounting records and adequately supported by relevant third party documents.. Also where independent confirmation of the future financial sustainability of the organisation is uncertain we have accepted assurances from the directors/owners that the organisation will be able to secure financial resources to enable it to continue working as a going concern in the foreseeable future.

Opinion

Except for the above, in our opinion, the financial statements give a true and fair view of the state of affairs of C-Sema and the results of their operations and cash flow for the period then ended in accordance with International Financial Reporting Standards for Small and Medium sized Enterprises (IFRS for SMEs)


MAZENGO A. KASILATI, FCPA 1586
MANAGING PARTNER



CSEMA

STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 TZS	2017 TZS
Revenue			
Grant	3	340,249,303	575,625,792
Deferred Income		-	22,487,141
Total		<u>340,249,303</u>	<u>598,112,933</u>
Expenditure			
Operating expenses	4	335,641,782	636,427,849
Finance Expenses	5	2,697,521	1,477,901
Audit Fees		1,910,000	1,910,000
Depreciation Expenses	2	37,889,480	29,600,260
Total		<u>378,138,783</u>	<u>669,416,010</u>
Surplus/(Deficit)		(37,889,480)	(71,303,077)
Taxation			
Profit after tax		(37,889,480)	(71,303,077)
Gain on Disposal of share			
Accumulated Funds b/d		(4,545,596)	66,757,481
Accumulated Funds c/d		<u>(42,435,076)</u>	<u>(4,545,596)</u>

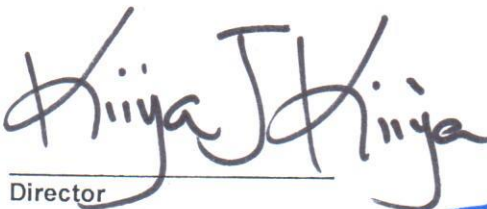
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STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Note	2018 TZS	2017 TZS
ASSETS			
Non –Current			
Property, Plant and Equipment	2	<u>71,278,355</u>	<u>67,721,736</u>
		<u>71,278,355</u>	<u>67,721,736</u>
Current Assets			
Taxation		1,766,800	1,766,800
Cash and Bank		82,510,088	39,331,121
		<u>84,276,888</u>	<u>41,097,921</u>
TOTAL ASSETS		<u>155,555,243</u>	<u>108,819,657</u>
FUNDS & RESERVES			
General Funds		79,449,200	79,449,200
Deferred Income		101,418,965	-
Accumulated Fund		<u>(42,535,076)</u>	<u>(4,545,596)</u>
TOTAL FUNDS AND LIABILITIES		138,433,089	74,903,604
LIABILITIES			
Creditors and Accruals		17,122,154	33,916,053
TOTAL FUNDS & RESERVES AND LIABILITY		<u>155,555,243</u>	<u>108,819,657</u>

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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 TZS	2017 TZS
Cash Flow from Operations		
Surplus/Deficit for the year	(37,889,480)	(71,303,077)
Adjustment for Non Cash Items		
Depreciation	37,889,480	29,600,260
Deferred Income	-	(22,487,141)
Cash Flow before working capital changes	-	(64,189,958)
Decrease/(Increase) in accounts receivable		
Decrease/(Increase) in Creditors and Accruals	(16,793,899)	32,966,053
Taxation Paid during the year	-	(1,766,800)
Net Changes in Working Capital	(16,793,899)	31,199,253
Net Cash Flow from Operations	<u>(16,793,899)</u>	<u>(32,990,705)</u>
Cash Flow from Investing Activities		
Acquisition of Fixed Assets	(41,446,099)	(19,903,102)
Gain sales of share		
Net Cash Flow from Investing Activities	<u>(41,446,099)</u>	<u>(19,903,102)</u>
Cash Flow from Financing Activities		
Proceeds from Grant	-	-
Deferred Income	101,418,965	-
Net Cash Flow from Financing activities	<u>101,418,965</u>	
Increase/(Decrease) in Cash & Cash Equivalent	43,178,967	(52,893,807)
Cash & Cash Equivalent at beginning of Year	39,331,121	92,224,928
Cash & Cash Equivalent at the end of Year	<u>82,510,088</u>	<u>39,331,121</u>


Director

C - SEMA
P. O. Box 75267
DAR-ES-SALAAM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION

C-Sema is an organisation registered in Tanzania. The addresses of its registered office and principal place of business are; 17 Ocean Road, Sea View- Upanga, P.O Box 110132 University Hill, Dar es Salaam Tanzania. The principal activities of the company are described in the Principal Activities' section of this report.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Financial statements have been prepared in accordance with and comply with International Financial reporting Standards (IFRS).

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Financial Statements are presented in Tanzanian shillings (TZS).

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.3 Revenue recognition

Revenue Grant is represented by proceeds of contract grant received from Investing Children and Society (ICS) which is the donor organization.

2.4 Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Tanzanian shillings at the rate of exchange prevailing at the reporting date. Transactions during the year are translated at the rates prevailing at the date of the transaction. Gains and losses on exchange are dealt with in the excess or deficit.

2.5 Leases

Rental payable under operating leases is charged to the statement of comprehensive incomes on a straight line basis over the term of the relevant leases.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash balances, deposit held at call with banks and bank overdrafts

2.7 Property, plant and equipment.

Other fixed assets, furniture and fittings, computer and office equipment and motor vehicles are stated at historical costs less accumulated depreciation and impairment. The organisation had no own Property and Equipments only were rented in kind from the directors.

Depreciation is recognized so as to write off the costs less the assets residual value using the straight line method. The estimated useful lives, residual value and depreciation

methods are reviewed each year and the effect of any changes in estimates accounted for on a prospective basis.

The gains or loss arising on the disposal or retirement of an item of the property, plant and Equipment is determined as the difference between the sales proceeds including insurance recovery and the carrying amount of the assets and is recognized in excess or deficit.

2.8 Financial Instruments

2.8.1 Financial assets

All financial assets are recognized and derecognized on trade date when the organization becomes part to the contractual provisions of the instrument and are initially measured at fair value plus transaction costs.

2.8.1.2 Grant/Fund receivables

Grant receivables have fixed or determinable payments that are not quoted in an active market.

2.8.1.3 Impairment of financial assets.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Grants/Fund receivables are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the organization's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average period of 30 days, as well observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the grant/Fund receivables is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in excess or deficit.

2.9 Financial liabilities

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of contractual arrangement.

Financial liabilities including borrowing are initially measured at fair value net of transaction costs and are subsequently measured at amortized costs using the effective interest method, with interest expenses recognized on an effective yield basis.

2.9.1 Bank borrowing

Interest bearing bank loans and overdrafts are recorded at the amount received, net of direct issued costs. Finance charges including premium payable on settlement or redemption are accounted for on accrual basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)**

2.11 Retirement benefit obligation

The organization did not make statutory contributions to the National Social Security Fund (NSSF) as it did not have personnel qualifying and eligible for NSSF. Normally the organization's obligation in respect of these contributions is 10% of the employees' gross emoluments. The organization's contribution is charged to the statement of revenue and expenditure in the period to which it relates.

2.12 Comparatives

Financial statements have been prepared with comparative figures.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTY

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the organization's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. These estimates are based on management's best knowledge of current events and actions they may undertake in the future but the actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are regularly reviewed and revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods.

The areas of critical judgments and key sources of estimation uncertainty are as set out below:

Property, plant and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. Csema had no own Property, and Equipment in use during the year. The Property and Equipments used such as Office, furniture, computers and other office equipments were rented in kind from the Directors

Depreciation

Depreciation is calculated to write off the cost of equipment, in equal annual instalments over their estimated useful lives using the straight line method. No depreciation charged during the year as there were no owned fixed assets.

4.FINANCIAL RISK MANAGEMENT POLICIES

The organisation's financial risk management objectives and policies are detailed below:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

4.1 Foreign exchange risk

The organization is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro since it receives grants in Euro currency.

The organization's expenses are principally incurred in Tanzanian Shillings (TZS). The organization does not enter into a large number of formal hedging transactions in respect of these transactions. Volatility in the exchange rate of Euro against TZS would make the organization's costs and results less predictable than when exchange rates are more stable.

2. PROPERTY, PLANTS AND EQUIPMENTS MOVEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	ICT & Office Equipment		Furniture & Fittings		Computer		LEASE HOLD		Total
	TSHS	TSHS	TSHS	TSHS	TSHS	TSHS	TSHS	TSHS	
At the beginning of the Period	110,120,341	9,044,547	18,023,102	3,984,000					141,171,990
Addition During the Year	41,446,099	-	-	-	-	-	-	-	41,446,099
At the end of the Period	-	-	-	-	-	-	-	-	-
Cost/Valuation As 31.12.2018	<u>151,566,440</u>	<u>9,044,547</u>	<u>18,023,102</u>	<u>3,984,000</u>					<u>182,618,089</u>
AT THE BEGINNING OF THE PERIOD	58,644,789	2,212,842	10,600,624	1,992,000					73,450,254
Additions During the Year	30,313,288	1,130,568	5,947,624	498,000					37,889,480
Accumulated Depreciation As At 31.12.2018	88,958,077	3,343,410	16,548,247	2,490,000					111,339,734
NET BOOK VALUE AS AT 31.12.2018	<u>62,608,363</u>	<u>5,701,137</u>	<u>1,474,855</u>	<u>1,494,000</u>					<u>71,278,355</u>
NET BOOK VALUE AS AT 31.12.2017	<u>51,475,552</u>	<u>6,831,706</u>	<u>7,422,478</u>	<u>1,992,000</u>					<u>67,721,736</u>

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3 Revenue	2018	2017
	TZS	TZS
OAK Foundation grant	187,921,825	211,470,000
UNICEF in-kind contribution	-	238,101,864
Oak Fondation in-kind contribution	60,150,000	-
Sponsored trips - local and international	75,580,000	56,023,968
Fundraising	-	70,029,960
Deffered Grants	-	22,487,141
UNFPA grant	52,482,780	-
Girls not Bride grant	4,550,000	-
Population Council - USA grant	45,033,663	-
Children's Dignity Forum	2,000,000	-
The Delegation of the EU	2,700,000	-
Christian Social Service Centre	2,250,000	-
Assas Milk in-kind contribution	6,000,000	-
Flaviana Matata Foundation in-kind contribution	3,000,000	-
Total	<u>441,668,268</u>	<u>598,112,933</u>

4 Administrative & General	2018	2017
	TZS	TZS
Workshops and Seminars	7,910,000	3,757,000
Travel & Accommodation	7,594,500	28,449,000
Volunteer allowances Zanzibar	-	480,000
Training	570,000	3,608,200
Salaries & Wages	111,520,000	113,520,000
Office Rent	25,159,482	11,215,000
Telephone & Communication	518,000	1,200,000
stationaries	7,717,750	5,436,000
Staff breakfast	2,576,900	1,680,000
Volunteer allowances-Focal persons	6,000,000	25,200,000
Repair & Maintenance	33,000	240,000
Transport - local	641,000	740,000
Consultancy	7,200,000	22,500,000
Office expenses	1,644,550	2,927,500
Field works Allowance	-	19,786,000
Postal box rental	35,400	35,400
General publicity	17,273,000	1,535,000
SDL	-	-
Insurance	-	2,040,832
Board meeting	-	800,000
Day of African Child (DAC)	27,170,000	70,029,960

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NSSF	8,184,000	1,584,000
Postage	70,700	-
NGO fee	50,000	150,000
BRELA	22,000	510,000
Child online protection portal lunch	-	6,020,000
Malezi survey Zanzibar	5,446,000	6,416,800
Partner sponsored Trip	75,580,000	56,023,968
SMS Cost	-	8,100,000
Outstanding from interlink Travel 2016	-	2,901,325
UNICEF Contracted Bitz IT for ICT upgrade	-	238,101,864
Staff benefit	16,776,000	-
International Day of Girl Child (IDG)	4,550,000	-
Total	<u>335,641,782</u>	<u>636,427,849</u>

5 Finance expenses

	2018 TZS	2017 TZS
Bank charges	2,697,521	1,477,901
Total	<u>2,697,521</u>	<u>1,477,901</u>