



C-SEMA

REPORTS AND FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2015

CSEMA

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



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AUDITORS' REPORT ON ACCOUNTING FOR THE YEAR ENDED 31ST DECEMBER, 2015

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 2015. 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, ACPA 1586
MANAGING PARTNER



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.

PRINCIPAL ACTIVITIES

The principal activity of Csema 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.



CSEMA

STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 TZS | 2014 TZS |
|--------------------------|------|--------------------|-------------------|
| Revenue | | | |
| Grant | 3 | 84,000,000 | - |
| | | 96,750,000 | |
| Total | | <u>180,750,000</u> | = |
| Expenditure | | | |
| Operating expenses | 4 | 81,017,572 | 88,661,216 |
| Finance Expenses | | 672,226 | 498,594 |
| Audit Fees | | 450,000 | 300,000 |
| Depreciation Expenses | | 7,276,369 | 7,276,369 |
| Total | | <u>89,416,167</u> | <u>96,736,179</u> |
| Surplus/(Deficit) | | 91,333,833 | (96,736,179) |
| Taxation | | | |
| Profit after tax | | 91,333,833 | (96,736,179) |
| Retained Profit/Loss b/d | | (76,605,718) | 20,130,461 |
| Retained Profit/Loss c/d | | 14,728,115 | (76,605,718) |



CSEMA

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

| | Note | 2015 TZS | 2014 TZS |
|---|------|---------------------------|--------------------------|
| ASSETS | | | |
| Non –Current | | | |
| Property, Plant and Equipment | 2 | <u>16,276,193</u> | <u>23,552,562</u> |
| Current Assets | | | |
| Cash and Bank | | 45,483,453 | 62,825 |
| Grants Receivable | | <u>73,418,469</u> | <u>20,078,895</u> |
| TOTAL ASSETS | | <u>135,178,115</u> | <u>43,694,282</u> |
| FUNDS & RESERVES | | | |
| General Funds | | 79,449,200 | 79,449,200 |
| Deferred Income | | 40,550,800 | 40,550,800 |
| Accumulated Fund | | <u>14,728,115</u> | <u>(76,605,718)</u> |
| TOTAL FUNDS AND LIABILITIES | | <u>134,728,115</u> | <u>43,394,282</u> |
| LIABILITIES | | | |
| Creditors and Accruals | | 450,000 | 300,000 |
| TOTAL FUNDS & RESERVES AND LIABILITY | | <u>135,178,115</u> | <u>43,694,282</u> |



STATEMENT OF CASH FLOW

CSEMA
FOR THE YEAR ENDED 31 DECEMBER 2015



Cash Flow from Operations

Surplus/Deficit for the year

2015 2014
TZS TZS
91,333,833 (96,736,179)

Adjustment for Non Cash Items

Depreciation

7,276,369 7,276,369

Foreign Exchange Gain

Cash Flow before working capital changes

98,610,202 (89,459,810)

Decrease/(Increase) in accounts receivable

(53,339,574) 100,000,000

Decrease/(Increase) in Creditors and Accruals

150,000 -

Net Changes in Working Capital

(53,189,574) 100,000,000

Net Cash Flow from Operations

45,420,628 10,540,190

Cash Flow from Investing Activities

Acquisition of Fixed Assets

- (10,484,000)

Net Cash Flow from Investing Activities

- (10,484,000)

Cash Flow from Financing Activities

Proceeds from Grant

- -

Deferred Income

- -

Net Cash Flow from Financing activities

- -

Increase/(Decrease) in Cash & Cash Equivalent

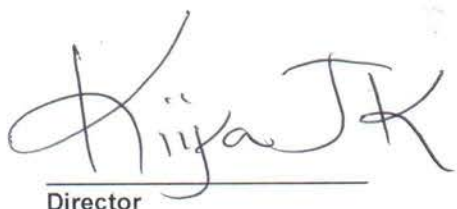
45,420,628 56,190

Cash & Cash Equivalent at beginning of Year

62,825 6,635

Cash & Cash Equivalent at the end of Year

45,483,453 62,825


Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



1. GENERAL INFORMATION

C-Sema is a 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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 2013 (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 2012 (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, 2015

| Particulars | ICT & Office Equipment | | Furniture & Fittings | | Computer | | LEASE HOLD | | Total |
|---|------------------------|---|----------------------|---|------------------|---|------------------|---|-------------------|
| | TSHS | | TSHS | | TSHS | | TSHS | | |
| At the beginning of the Period | 24,596,506 | - | 2,464,547 | - | 4,700,000 | - | 3,984,000 | - | 35,745,050 |
| Addition During the Year | - | - | - | - | - | - | - | - | - |
| At the end of the Period | - | - | - | - | - | - | - | - | - |
| Cost/Valuation As 31.12.2015 | <u>24,596,506</u> | | <u>2,464,547</u> | | <u>4,700,000</u> | | <u>3,984,000</u> | | <u>35,745,050</u> |
| AT THE BEGINNING OF THE PERIOD | 9,677,352 | | 466,136 | | 1,551,000 | | 498,000 | | 12,192,488 |
| Additions During the Year | 4,919,301 | | 308,068 | | 1,551,000 | | 498,000 | | 7,276,369 |
| Accumulated Depreciation As At 31.12.2015 | 14,596,652 | | 774,205 | | 3,102,000 | | 996,000 | | 19,468,857 |
| NET BOOK VALUE AS AT 31.12.2015 | <u>9,999,851</u> | | <u>1,690,342</u> | | <u>1,598,000</u> | | <u>2,988,000</u> | | <u>16,276,193</u> |
| NET BOOK VALUE AS AT 31.12.2014 | <u>14,919,151</u> | | <u>1,998,411</u> | | <u>3,149,000</u> | | <u>3,486,000</u> | | <u>23,552,562</u> |



| | 2015 | 2014 |
|---------------------------------------|--------------------|-------------------|
| | TZS | TZS |
| 3 Revenue | | |
| Grant from UNDEF | 84,000,000 | |
| Grant from ICS | 96,750,000 | - |
| Total | 180,750,000 | |
| | | |
| 4 Administrative & General | 2015 | 2014 |
| | TZS | TZS |
| Workshops and seminars | | 9,192,606 |
| Travel & Accommodation | 2,576,000 | 2,875,450 |
| Happy & sad boxes publicity | 1,948,370 | 2,630,000 |
| Allowances to volunteers | 8,855,000 | 340,000 |
| Trainings | 1,000,000 | 3,500,411 |
| Salaries and Wages | 41,452,000 | 40,069,000 |
| Rent | 8,199,248 | 8,400,000 |
| Electricity and water | 75,000 | 234,000 |
| Telephone & Communication | 496,000 | 560,000 |
| Stationeries | 471,000 | 1,444,980 |
| Establishment of Happy & sad boxes | | 4,500,000 |
| Transport –Happy & sad Initiative | 1,920,454 | 1,540,000 |
| Staff Lunch | 4,667,000 | 258,000 |
| National VAC Lunch | 70,000 | 1,652,000 |
| Monitoring and Evaluation | | 1,810,000 |
| Office Cleaning | 310,750 | 120,000 |
| Travel Visa | - | - |
| Repair & Maintenance | 1,856,000 | 3,374,000 |
| Office Renovation | 105,000 | 2,024,369 |
| Transport-Local | - | 1,576,000 |
| Engineering Consultancy | - | 250,000 |
| Office Expenses | 2,516,600 | 94,400 |
| Mapping & Data services | - | 148,000 |
| Lobbying and Advocacy | - | 350,000 |
| Garbage collection | 397,900 | 132,000 |
| Insurance | - | 306,000 |
| Board meeting | - | 180,000 |
| Tools | | 1,100,000 |
| NSSF | 3,740,000 | - |
| Postage | 35,400 | - |
| | 81,017,572 | 88,661,216 |

