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C-SEMA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Silas & Associates

P. O. Box 80302: 0752-778-122; 0658-778-133

Dar es Salaam

C-SEMA

Annual Report and Financial Statements

For the year ended 31 December 2020

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C-SEMA

Annual Report and Financial Statements for the year ended 31 December 2020

COMPANY INFORMATION: NGO

MANAGEMENT: Mr. Michael Kihango Marwa

REGISTERED OFFICE: Suite # 403, Jangid House, Ally Hassan Mwinyi Rd, Dar es Salaam

P. O. Box 787; Dar es Salaam

CONTACTS: +255-222-9265

E-mail: info@sematanzania.org

TIN: 113-953-411

BANKER: Standard Chartered Bank; Azania Bank

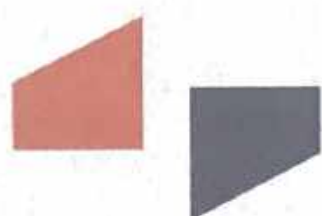
INDEPENDENT AUDITOR: Silas & Associates

P. O. Box 80302, Dar es Salaam

Tel: 0693-022- 282; 0737- 916 -995

e-mail: silas@silasassociates.co.tz

REPORT OF THE INDEPENDENT AUDITORS



Silas & Associates

Certified Public Accountants

Tabata Chang'ombe, Plot # SG/UG/0452.; 0752-778-122; 0658-778-133

To the Owners of C-SEMA

P. O. Box 787

DAR ES SALAAM, Tanzania

Report of the Auditors on Accounts for the Year ending 31 December 2020

We have audited the financial statements of **C-SEMA** which comprise of the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in owner's equity and statement of cash flows for the year ended 31 December 2020 and a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 20.

Respective Responsibilities of Directors and Auditors

The directors are responsible for the preparation of financial statements. Our responsibility is to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with **International Standards on Auditing**. Those standards require that we comply with ethical requirements and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters Affecting Our Opinion

In common with many businesses of similar size and organisation, the company's system of internal control and financial sustainability is dependent upon close involvement of the Directors. Where independent confirmation of the completeness of accounting records was therefore not available, we have accepted assurances from the Directors that all the company's transactions have been reflected in the accounting records and adequately supported by relevant third party documents.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **C-SEMA** as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with **International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SMEs)** and comply with the **Tanzanian Companies Act of 2002**.

.....
Silas A.H. Mwakibinga - CP 11/029

ACPA (T)-PP

Engagement Partner; Dar es Salaam



C - SEMA

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note s	2020 (TZS)	2019 (TZS)
REVENUE			
Grants	2	1,063,331,897	376,512,090
Released Deferred Capital Grant	2	98,236,082	6,319,500
Total Revenue		1,161,567,979	382,831,590
EXPENSES			
General & Administrative Expenses	3	1,134,554,458	474,574,407
Financial Expenses	4	5,840,938	5,565,763
Audit Fees		1,910,000	1,910,000
Depreciation	5	59,787,814	58,450,060
Total Expenditure		1,202,093,210	540,500,230
Surplus/(Deficit) Before Tax		(40,525,231)	(157,668,640)
Provision for Corporate Tax		0	0
Net Surplus/(Deficit) After Tax		(40,525,231)	(157,668,640)

Director: CEO:

Date: 26/2/2021 Date: 26/02/2021



C - SEMA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

ASSETS	Notes	2020 (TZS)	2019 (TZS)
Non-Current Assets			
Plant, Property and Equipment	5	190,077,782	81,033,695
Current Assets		102,536,389	(85,310,413)
Cash & Bank	7	70,778,852	(89,310,413)
Debtors	8	31,757,537	4,000,000
Taxation	9	0	0
TOTAL ASSETS		292,614,171	(4,276,718)
EQUITY & LIABILITIES			
Funds and Reserves		236,881,050	(9,687,934)
General Funds		394,000,645	79,449,200
Accumulated Fund		(240,728,947)	(200,203,716)
Capital Grants		12,830,500	12,830,500
Deferred Grants/Income	6	70,778,852	98,236,082
Current Liabilities		55,733,120	5,411,216
Creditors & Accruals	8	53,823,120	3,501,216
Provision for Audit Fees		1,910,000	1,910,000
TOTAL EQUITY & LIABILITIES		292,614,171	(4,276,718)

Director:

CEO:

Date: 26/2/2021

Date: 26/02/2021



C - SEMA

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

	General Funds	Capital Grants	Accumulated Fund	TOTALS
01.01.2020	79,449,200	12,830,500	(200,203,716)	(107,924,016)
Additions	314,551,445	0	(40,525,231)	274,026,214
Deductions	0	0	0	0
31.12.2020	<u>394,000,645</u>	<u>12,830,500</u>	<u>(240,728,947)</u>	<u>166,102,198</u>
01.01. 2019	79,449,200	0	(42,535,076)	36,914,124
Additions	0	12,830,500	(157,668,640)	(157,668,640)
Drawings	0	0	0	0
31.12.2019	<u>79,449,200</u>	<u>12,830,500</u>	<u>(200,203,716)</u>	<u>(120,754,516)</u>

Director:

CEO:

Date: 26/2/2021

Date: 26/02/2021



C - SEMA
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2020

	2020 (TZS)	2019 (TZS)
Cash flow from Operations		
Surplus/(Deficit) Before Tax	(40,525,231)	(157,668,640)
Adjusted for Non Cash items	58,623,930	(302,941,134)
Depreciation	59,787,814	58,450,060
Deferred Grant/Prior Year Items	(1,163,884)	(361,391,195)
Cash flows before working capital changes	18,098,700	(460,609,774)
Changes in Working Capital items	22,564,367	(19,212,154)
Decrease (Increase) in Receivables	(27,757,537)	(4,000,000)
Increase/(Decrease) in Creditors & Accruals	50,321,904	(15,212,154)
Tax paid	0	0
Net Cash Flow from Operations	22,564,367	(19,212,154)
Net Cash flow from Operating activities	40,663,067	(479,821,928)
Cash flow from Financing Activities	200,000,000	375,708,828
Proceeds from Donor/Grant	200,000,000	375,708,828
Deferred Income	0	0
Net Cash flow from financing activities	200,000,000	375,708,828
Cash flow from Investing activities	(80,573,802)	(67,707,400)
Acquisition	(80,573,802)	(67,707,400)
Disposal	0	0
Net Cash flow from Investing Activities	(80,573,802)	(67,707,400)
Net decrease in cash & cash Equivalents	160,089,265	(171,820,501)
Cash & Cash Equivalents at beginning of year	(89,310,413)	82,510,088
Cash and Cash Equivalent s at end of year	70,778,852	(89,310,413)

Director: CEO:

Date: 26/2/2021 Date: 26-02-2021



C-SEMA

NOTES TO THE ACCOUNTS:

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of opinion

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Going concern

The financial performance of the company is set out in the director's report and in the Statement of Comprehensive Income. The financial position of the company is set out in the Statement of Financial Position.

Based on the financial performance and position of the company, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Tanzanian Companies Act 2002. The Statement of Comprehensive Income represents the Profit and Loss account referred to in the Act. The Statement of Financial Position represent the Balance Sheet referred to in the Act.

New and amended standards adopted by the company

There are no IFRSs of IFRIC interpretations that are effective or adopted in advance for the first time.

b) Key sources of estimation uncertainty

In the application of accounting policies, the directors are required to make judgments, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment in the carrying amounts of assets and liabilities within the next financial year.

Useful lives of equipment- Management reviews the useful lives and residual values of the items or equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

c) Critical accounting judgments

In the process of applying the company's accounting policies, the company's management makes certain judgments that are continuously assessed based on prior experience and including expectations or future events, that, under the circumstances are deemed to be reasonable as described below:

(i) Equipment and intangible assets: Critical estimates are made by the management in determining depreciation rates and useful lives.

(ii) Operating lease commitments: Not applicable - as the company is operating over its own buildings.

(iii) Revenue recognition: In making their judgments, the directors considered the detailed criteria for the recognition of revenue from the performance of services set out in IAS 18.

d) Foreign Currency transactions

(i) Functional and presentation currency: Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), which is Tanzanian Shillings.

(ii) Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and liabilities denominated in foreign currencies are recognised in the comprehensive income.

e) Revenue recognition

Revenue mainly comprises of the sales of finished products. The revenue is recognised on an accruals Basis. The Company recognizes revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measured until The Company recognizes revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measured until all contingencies relating to the transaction have been resolved. The company bases its estimates on historical results, taking into consideration the type of transaction and specifics of each arrangement.

f) Cash & cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks and financial assets.

g) Equipment

All property, plants and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure

initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation is calculated on a reducing balance basis, to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

Buildings.....	'04.0%
Office equipment.....	12.5%
Furniture & Fittings.....	12.5%
Motor vehicle.....	25.0%
Computers.....	30.0%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining profit before tax.

h) Financial instruments

Financial liabilities (continued): Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction

costs) and the redemption value is recognised as interest expense in the statement of comprehensive income under finance costs.

Fees associated with the acquisition of borrowing facilities are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the facilities will be acquired. In this case the fees are deferred until the drawn down occurs. If it is not probable that some or all of the facilities will be acquired the fees are accounted for as prepayments under trade and other receivables and amortized over the period of the facility.

All financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Financial liabilities are derecognized when, and only when, the company's obligations are discharged, cancelled or expired.

Offsetting financial instruments: Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

i) Current & deferred income tax

The tax expense for the year comprises of current and deferred tax. Tax is recognized in statement of comprehensive income, except that it relates to items recognised in equity. In this case, the tax is also recognised in equity.

Current tax: Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax: Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are

recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilized.

j) Leases - The company as a lessee

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

k) Retirement benefits obligation

The company and its employees contributed to the National Social Security Fund (PPF), a statutory defined contribution scheme that was registered under the Social Security Regulatory Authority Act (SSRA) of 2008. The company's contributions to this defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate (through General Expenses).

NOTE 5: PROPERTY, PLANT & EQUIPMENT

	Office Equipment	Computers	Furniture & Fittings	Leasehold Improvements	TOTAL
COSTS	TZS	TZS	TZS	TZS	TZS
As at 01.01.2020	163,703,840	72,593,102	10,044,547	3,984,000	250,325,489
Additions	37,548,052	34,630,000	8,395,750	0	80,573,802
As at 31.12.2020	201,251,892	107,223,102	18,440,297	3,984,000	330,899,291
DEPRECIATION					
As at 1.1.2020	42,004,995	32,089,131	5,445,569	1,494,000	81,033,695
Charge for the Year	25,156,487	32,166,931	2,305,037	159,360	59,787,814
As at 31.12.2020	67,161,482	64,256,062	7,750,606	1,653,360	140,821,509
CARRYING AMOUNTS					
As at 31.12.2020	134,090,411	42,967,040	10,689,691	2,330,640	190,077,782
As at 31.12.2019	42,004,995	32,089,131	5,445,569	1,494,000	81,033,695

Notes to the financial statements

NOTE 2: REVENUE

	<u>2020 (TZS)</u>	<u>2019 (TZS)</u>
OAK Foundation grant	163,287,862	157,834,600
UNICEF	153,808,009	190,229,290
SEGAL Family Foundation	5,752,050	16,304,200
UNFPA grant	342,836,875	0
BRIS	42,055,052	12,144,000
BRAC Maendeleo	57,105,664	0
Ministry of Health Zanzibar	26,520,000	0
Care International	20,520,000	0
ICMEC	45,696,950	0
ECPAT	5,749,435	0
BRAC Maendeleo In Kind Contribution	200,000,000	0
	<u>1,063,331,897</u>	<u>376,512,090</u>

Deferred Grant

Released Deferred Income	98,236,082	6,319,500
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NOTE 3: GENERAL & ADMINISTRATIVE EXPENSES

Workshops and Seminars	171,508,450	40,473,000
Travel & Accommodation	25,399,900	37,163,700
Volunteer allowances Zanzibar	2,400,000	2,400,000
Training	23,887,000	29,680,000
Salaries & Wages	119,660,000	99,459,000
SDL Expense	5,079,300	0
NSSF Expense	11,966,000	0
Office Rent	60,113,293	32,678,400
Telephone & Communications	462,500	1,270,000
Stationaries	1,132,000	298,500

Transport happy and sad initiative	0	1,300,000
Staff breakfast	5,901,600	2,740,400
Volunteer allowances-Focal Persons	33,360,000	0
Repairs and Maintenance	627,000	0
Office Cleaning	1,877,000	1,740,000
Repair & Maintenance		327,000
Office Renovation	65,050,653	3,740,000
Transport - local	682,000	4,970,850
Consultancy	-	9,350,000
Office expenses	100,291,785	37,249,265
Garbage collection	0	692,000
General publicity & Campaign material	365,637,486	8,270,550
Internet	10,390,684	1,656,748
International Day of Girl Child	84,247,200	0
Annual Staff Retreat	18,872,000	0
Board meeting	1,600,000	200,000
Input Vat	0	261,293
Day of African Child (DAC)	0	43,569,767
Insurance	372,807	3,022,400
NGO fee	50,000	50,000
Malezi survey Zanzibar	0	1,900,000
Postage	90,000	80,000
Staff benefits	22,975,800	20,491,534
Translation fee	0	7,700,000
RC	920,000	70,000,000
	<u>1,134,554,458</u>	<u>474,574,407</u>
NOTE 4: FINANCIAL COSTS		
Bank charges	5,840,938	5,565,763
	<u>5,840,938</u>	<u>5,565,763</u>

NOTE 6: DEFERRED GRANT

UNICEF	15,605,601	0
SEGAL	46,011,482	0
BRIS	9,161,769	0
UNFPA Grant	0	92,907,000
Other Grants	0	5,329,082
	70,778,852	98,236,082

NOTE 7: CASH & BANK

Cash on Hand	0	0
Bank account -Azania	9,161,769	
Bank Account-Standard Chartered (Local)	15,605,601	
Bank Account-Standard Chartered (Foreign)	46,011,482	
	70,778,852	(89,310,413)

NOTE 8: RECEIVABLES

Elimika Wikiendi Limited	1,000,000	0
Prepaid Rent	30,757,537	0
	31,757,537	0

NOTE 9: PAYABLES

SDL Payable	5,079,300	0
NSSF Payable	23,932,000	0
PAYE Payable	5,517,000	0
Elimika Wikiendi Limited	10,555,000	0
Jamii Design Limited	5,542,000	0
Counsenuh	3,197,820	0
	53,823,120	0

Note 10: TAXATION ACCOUNT

Surplus / (Deficit) Before taxation	(40,525,231)	(157,668,640)
Add Back: Depreciation	59,787,814	58,450,060
	19,262,584	(99,218,580)
Less: Wear & Tear Allowances	59,787,814	58,450,060
Adjusted Taxable Income	(40,525,231)	(157,668,640)
Taxation During the period	0	0
Less: Balance Brought Forward	0	0
Tax Paid during the period	0	0
Balance Carried Forward	0	0