

ACTIONAID TANZANIA
DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

ACTIONAID TANZANIA

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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ACTIONAID TANZANIA

CORPORATE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL PLACE OF ACTIVITIES

ActionAid Tanzania
Mikocheni B area
Plot 79 Makuyuni Street,
P. O. Box 21496
Dar es Salaam, Tanzania

BANKERS

Standard Chartered Bank
International House Branch
P. O. Box 9011
Dar es Salaam, Tanzania

CRDB Bank
Azikiwe Branch
P. O. Box 9531
Dar es Salaam, Tanzania

National Microfinance Bank
Oyster Plaza Branch
P.O. Box 9213
Dar es salaam, Tanzania

LEGAL ADVISORS

BM Attorneys
1st Floor Canton Building
PO Box 4681
Dar es Salaam, Tanzania

AUDITORS

Ernst & Young
Certified Public Accountants
Plot 34/1 - Ursino South
New Bagamoyo Road
P. O. Box 2475
Dar es Salaam
Tanzania

ACTIONAID TANZANIA

LIST OF ACRONYMS AND ABBREVIATIONS FOR THE YEAR ENDED 31 DECEMBER 2019

AAI	ActionAid International
CP	Country Programme
DANIDA	Danish International Development Agency
Das	Development Areas
EC	European Commission
GBP	Great Britain Pound
LRP	Local Rights Programme
MS	Mellempfolkelight Samvirke (ActionAid Denmark)
NORAD	Norwegian Agency for Development Cooperation
PRRP	Participatory Review and Reflection Process
SDC	Swiss Agency for Development and Cooperation

ACTIONAID TANZANIA

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

1. INTRODUCTION

The Board members of ActionAid Tanzania submit their report and the audited financial statements for the year ended 31 December 2019, which has been prepared in accordance with the International Financial Reporting Standards.

2. INCORPORATION

ActionAid Tanzania ("the Company") is an international non-governmental development agency which was established in Tanzania in 1998 under Tanzania Society Ordinance 1954 as ActionAid International Tanzania. As of 23rd February 2011, the agency changed its registration charter to Companies Act, 2002 and thus registered as a company limited by guarantee (the term 'limited' was waived afterwards) and accorded registration number 81643 by Business Registration and Licencing Agency (BRELA). After Change of the Company Act in 2019 ActionAid Tanzania complied and re-registered with the registrar of NGO under the new NGO Act 2019 of And accorded the registration number OONGO/R2/00031.

3. COMPANY MISSION AND VISION

Our Vision: "A Tanzania without poverty and injustice in which every person enjoys his/her right to a life of dignity".

Our Mission: "To eradicate poverty, inequality and injustices by working with people living in poverty and exclusion and their institutions, partners and alliances, social movements and supporters."

4. PRINCIPAL ACTIVITY

ActionAid Tanzania has been engaged in development activities four program priorities namely: (1) Address structural causes of violence against women, promote gender equality and secure economic justice to women and girls, (2) Enhance civic participation and state accountability for democratic governance and redistribution of public resources for the delivery of quality, gender responsive public services, (3) Strengthen resilient livelihoods and promote climate justice, (4) Advance the rights of young people

It is a member of ActionAid International (AAI) federation which operates in more than 40 countries in Africa, Asia, Latin America, Europe and Australia. In Tanzania, it is registered as company and operates at national level and 8 district-based Local Rights Programmes (LRPs) previously known as Development Areas (DAs) that are found in five administrative regions namely; Mtwara, Dodoma, Singida and Lindi in mainland Tanzania and Unguja and Pemba in Zanzibar.

5. MANAGEMENT OF THE COMPANY AND ADMINISTRATIVE MATTERS

The Company is under the supervision of the Board and the day to day operations are headed by the Country Director together with Senior Management Team consisting of the heads of departments.

The Company structure comprises of the following departments: -

- Finance
- Programmes & Policy (which supports & supervises the LRPs)
- Human Resources, Organizational Development & Support Services (which includes IT and administration)

The Company is capable of handling all administrative matters.

DIRECTOR'S REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

6. MANAGEMENT AND CORPORATE GOVERNANCE

The Management Team

The Country Director oversees overall operations of the Company in Tanzania and reports to the Board Chair. He is assisted by the Senior Management Team which is comprised of Head of Finance, Head of Human Resource and Organizational Development & Support Services, Head of Programs and Policy and Women's Right and LRP's oversight Manager. The Management of the organization undertakes its tasks with integrity and in accordance with the organization's procedures, generally accepted corporate practices and adheres to internationally developed principles of good corporate governance.

The Senior Management Team meets regularly (monthly, quarterly, semi-annual and annually) to review and discuss on overall performance of the Company including reviewing programme performance, Management Accounts, HR and Organizational Development processes and perform other administration tasks and takes appropriate actions to ensure that activities are implemented in line with the Country Strategy Paper and annual plans. The Management team receives timely information from functional units so that it can maintain full and effective control over strategic, financial and operational matters and compliance issues related to the Company.

7. RISK MANAGEMENT AND INTERNAL CONTROL

Members of the Board accept final responsibility for the risk management and internal control systems of the Company. It is the task of the Board to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2019 and is of the opinion that they met accepted criteria.

The Company has put in place defined procedures and financial controls to ensure reporting of complete and accurate accounting information. These systems cover for obtaining authority for major transactions and for ensuring compliance with laws and regulations that have significant risk on the Company. Procedures are also in place to ensure that the Company's assets are subject to proper physical controls and that the Company remains structured to ensure appropriate segregation of duties.

- Monthly Management meetings done to monitor performance and to agree on measures of improvement.
- Developed annual risk matrix and revised and updated it every quarter.
- Participatory Review and Reflection Process (PRRP) conducted in which accountability is taken as two-way process with relevant stakeholders taking part in the process to ensure accountability to each other i.e. AATZ Management and community/beneficiaries and other stakeholders. This is an important tool towards enhancing internal and external accountability.

ACTIONAID TANZANIA

DIRECTOR'S REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2019

8. GENDER PARITY

The Company 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.

As at 31 December 2019, the Company had the following mix of employees by gender.

Gender	31 Dec 2019	%	31 Dec 2018	%
Male	20	59	21	60
Female	14	41	14	40
Total	34	100	35	100

9. MEMBERS OF THE BOARD

The Board members of the Company who held office during the year and to the date of this report, except where otherwise stated were:

Name	Position	Age	Qualification	Date appointed
Mary Nsemwa	Board Chairperson	58	-Master of Arts in Participation, Development and Social Change -Post Graduate Diploma in Rural Policy and Project Planning -Advanced Diploma in Economic Planning	Re-appointed 25 July, 2018
Harold Sungusia	Vice Board Chairperson	48	-Master of Laws -Post Graduate Diploma in Laws -Bachelor of Arts in Laws	25 July, 2018
Daniel Luhamo	Board Treasurer	66	- Certified Public Accountant (CPA) -Postgraduate Diploma in Accountancy -Advanced Diploma in Certified -- Accountancy	25 July, 2018
Flora Masoy	Board Member	68	-Diploma in Education	25 July, 2018
Deus Kibamba	Board Member	47	-Master of Arts in International Studies -Post Graduate Diploma in Governance, Democratization and Public Policy Analysis -Bachelor of Arts in (Political Science & - Public Administration) Major in - International Relations	25 July, 2018

ACTIONAID TANZANIA

DIRECTOR'S REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2019

9. MEMBERS OF THE BOARD (Continued)

Name	Position	Age	Qualification	Date appointed
Dr. Vicensia Shule	Board Member	41	- PhD in Theatre Studies - Master of Performing Arts (Theatre & Film) - Bachelor of Arts in Fine and Performing Arts	25 July, 2018
Dr. Syeda Hameed	Board Member	77	- PhD in Literature - Master of Arts in English Literature - Bachelor of Arts in English Literature	25 July, 2018
Safia Abrass	Board Member	41	- Master of Information Technology and Telecommunication (IT&T) - Post Graduate Diploma in Islamic Banking and Finance - Bachelor of Arts in Laws	25 July, 2018
Dr. Azaveli Lwaitama	Board Member	67	- PhD in Linguistics - Master of Science in Teaching English for Specific Purposes (TESP) - Bachelor of Arts in Education - Diploma in Education	25 July, 2018

As at 31 December 2019, there were no loans or advances outstanding from any member of the Board and the Management team.

All members of the Board (except Dr Syeda who is an Indian) are Tanzanians by nationality.

10. DIRECTORS' INTEREST

The Board Members and the Senior Management Team do not have personal interest in the Company and the Company does not have shareholding.

11. MEMBERS OF THE MANAGEMENT TEAM

Profile of the members of the Senior Management Team who served during the year and up to the date of this report are as follows:

Name	Position	Age	Qualification	Nationality	Date Joined	Date of Resigned
Yaekob Metena	Country Director	57	MA in Social Science	Ethiopian	June 1, 2014	Continuing
Bavon Christopher	Head of Finance	38	B. Com, ACPA-PP(T)	Tanzanian	11-May-15	Continuing
Jovina Nawenzake	Head of Programs and Policy	45	Post Graduate Diploma	Tanzanian	Aug-16	Continuing
Daniel Mwakitalima	Head HROD and Support Services	49	MBA, B. Com	Tanzanian	Dec-16	Continuing
Amne Managwa	Women's Right & LRP Oversight Manager	29	LLB, LLM	Tanzanian	Nov, 19	Continuing
Redimna Ginwas	Impact and Shared learning Manager/Chair-Women Forum	44	Msc in CED, Master of Arts in M&E, LLB	Tanzanian	Oct, 2019	Continuing

ACTIONAID TANZANIA

DIRECTOR'S REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2019

12. COMPANY FUNDING

The Company's funding is derived from Regular Giving Income (sponsorship grants from individual supporters), individual donors, foundations and institutional funding.

13. REMUNERATION OF THE MANAGEMENT TEAM

The Company paid a total of TZS 544 million as remuneration for the management team, which is less by 15% as compared to last year.

14. RELATED PARTY TRANSACTIONS

Apart from cash grant income received from AAI, the AAI paid for direct expenditures equivalent to TZS 184 million during the year on behalf of ActionAid Tanzania. All such transactions were charged to ActionAid Tanzania as actual cost incurred.

15. SUBSEQUENT EVENTS

There are no subsequent events that have occurred which are either to be disclosed or to be adjusted in the financial statements that could materially affect the financial statements.

16. RESULTS OF FINANCIAL ACTIVITIES

During the year ended 31st December 2019, ActionAid Tanzania raised a total of TZS 6.9 billion, composed of income from Child Sponsorship amounting to TZS 2.7 billion, projects income of TZS 4.2 billion and other income of TZS 12.8 million. Accordingly, there is a slight increase of 1% compared to the overall income in 2018.

The income from Regular Giving decreased by 9% when compared to the income of the corresponding period in 2018. Income from the regular sources generally constitutes 39% of the total income of the period.

During the year, partnership income (non-sponsorship income) was TZS 4.2 billion, which was 8% higher compared to the 2018. The reason for the increase was due to improved implementation from NORAD and DANIDA projects that commenced 1st January of 2018.

The total expenditure incurred for the year ended 31 December 2019 was TZS 7.2 billion which is higher by 10% compared to prior period in 2018. This is due to implementation of projects as explained above.

The use of these funds in the year ended 31 December 2019 and the state of financial position as on that date is shown in the Statement of Income and Expenditure and the Statement of Financial Position was presented on page 14 and 15, respectively. There were sufficient funds to implement the 2019 work plans and the Company remained financially sustainable throughout the year. The Company has secured sufficient funding to cover its Annual Work Plan for 2019. Detailed results for the year are presented on page 14 of these financial statements.

ACTIONAID TANZANIA

**DIRECTOR'S REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. EMPLOYEES WELFARE

Staff Welfare

Staff welfare is covered under the terms and conditions of employment contracts that outline various benefits and policies governing employment.

Management and Employees Relationship

The Board requires the Management to maintain good relationship with employees at all times. Board has appropriately acted on substantiated employee's complaints against the Management without undermining management's role, responsibilities and mandates.

18. SOLVENCY

The Directors consider the Company to be solvent and the financial position of the Company is shown on page 15

19. GOING CONCERN CONSIDERATION

The organisation is funded by individual supporters, foundations, individual and institutional donors. The financial statements have been prepared on the going concern on sustainability of the commitment of donors who continue to fund programme operations. Given the existing commitments and on-going engagements with certain donors together with strategies that are in place, the Directors are optimistic that funding will be availed to the organisation by supporters and donors to sustain operations for the foreseeable future.

20. PERSONS WITH DISABILITIES

The Company has a policy of continued employment of employees who become disabled while in the Company's service. The Company is also committed to recruit persons with disabilities for suitable positions.

21. AUDITORS

Ernst & Young were the Company auditors for the year ended 31 December 2019 and they have expressed their willingness to continue in service.

BY ORDER OF THE BOARD



BOARD CHAIRPERSON



COUNTRY DIRECTOR

8TH SEPT. 2020

DATE

ACTIONAID TANZANIA

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial year, which present fairly in all material respects the state of affairs of the Company as at the end of the financial year and of the operating results for that year. It also requires the Directors to ensure the Company keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors 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 in the manner required by the Tanzanian Companies Act, 2002. 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 Company 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 Company will not remain a going concern for at least the next twelve months from the date of this statement.



CHAIRPERSON



COUNTRY DIRECTOR

8TH SEPT. 2020

DATE

ACTIONAID TANZANIA

**DECLARATION OF THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2019**

DECLARATION OF THE HEAD IF FINANCE

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

It is the duty of a Professional Accountant to assist the Board of Directors/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 International Financial Reporting Standards (IFRS) 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, BAVON CHRISTOPHER.....being the Head of Finance of ActionAid Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2019 have been prepared in compliance with International Financial Reporting Standards (IFRS) and statutory requirements.

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

Signature: .....

Position: COUNTRY DIRECTOR

NBAA Membership No: ACPA 2438

Date:

INDEPENDENT AUDITOR'S REPORT

To the Members of
ACTIONAID TANZANIA

Opinion

We have audited the financial statements of ACTIONAID TANZANIA ('the organisation') set out on pages 14 to 33, which comprise the statement of financial position as at 31 December 2019, and the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of ACTIONAID TANZANIA as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002 of Tanzania.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Independent International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Information included in the Company's 2019 Annual Report

The other information comprises the General Information, Director's Report, Statement of Directors' Responsibilities and the Declaration by the Head of Finance. The other information does not include the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance 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 or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.



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INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of
ACTIONAID TANZANIA

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002 of Tanzania, and for such internal control as the Directors determination is 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the company 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 decisions of users taken on the basis of these financial statements.

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

- 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (Continued)

**To the Members of
ACTIONAID TANZANIA**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act, 2002 of Tanzania and for no other purposes.

As required by the Companies Act 2002 of Tanzania, we report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Company, so far as it appears from our examination of those books;
- The Directors' Report is consistent with the financial statements;
- Information specified by law regarding Directors' remuneration and transactions with the Company is disclosed; and
- The Company's statement of financial position and statement of income and expenditure are in agreement with the books of account.

Signed by: Dr. Neema Kiure Mssusa FCPA 1227 (Partner)
For and on behalf of Ernst & Young
Certified Public Accounts
Dar es Salaam



Date: 9 SEPTEMBER 2020

ACTIONAID INTERNATIONAL TANZANIA

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	NOTE	2019 TZS'000	2018 TZS'000
ASSETS			
Non-current assets			
Property and equipment	14	<u>96,786</u>	<u>1</u>
Current assets			
Other receivables	15	263,920	533,172
Amount due from related parties	16(a)	1,270,155	1,275,635
Cash and bank balances	17	<u>467,841</u>	<u>1,375,555</u>
		<u>2,001,916</u>	<u>3,184,362</u>
TOTAL ASSETS		<u><u>2,098,702</u></u>	<u><u>3,184,363</u></u>
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated fund		<u>956,521</u>	<u>1,299,546</u>
Current liabilities			
Other payables	18	<u>399,879</u>	<u>607,886</u>
		399,879	607,886
Non-current liabilities			
Deferred revenue grant	19	742,302	1,276,931
TOTAL FUNDS AND LIABILITIES		<u><u>2,098,702</u></u>	<u><u>3,184,363</u></u>

These financial statements were approved by the board of Directors and authorised for issue on 8TH SEPT. 2020 and were signed on their behalf by:



CHAIRPERSON



COUNTRY DIRECTOR

ACTIONAID INTERNATIONAL TANZANIA
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE PERIOD ENDED 31 DECEMBER 2019

	2019	2018
	TZS'000	TZS'000
As at 01 January	1,299,546	1,040,523
Surplus/(deficit) for the year	(343,025)	259,023
At 31 December	<u><u>956,521</u></u>	<u><u>1,299,546</u></u>

**ACTIONAID INTERNATIONAL TANZANIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	NOTE	2019 TZS'000	2019 TZS'000
OPERATING ACTIVITIES			
Surplus/(deficit)		(343,025)	259,023
Adjustments			
Depreciation charge	14	48,385	-
Operating results before working capital changes		<u>(294,640)</u>	<u>259,023</u>
Changes in working capital			
Decrease/(increase) in accounts receivable		269,252	(196,612)
Increase in amount due from related parties		5,480	365,667
(Decrease)/increase in accounts payable		(208,007)	284,800
Net cash flows (used in)/from operating activities		<u>(227,915)</u>	<u>712,877</u>
Purchase of plant and equipment		(145,169)	-
Deferred revenue grants		(534,630)	300,927
Net decrease in cash and cash equivalents		<u>(907,714)</u>	<u>1,013,804</u>
Cash and cash equivalents at 1 January		1,375,555	361,751
Cash and cash equivalents at 31 December		<u><u>467,841</u></u>	<u><u>1,375,555</u></u>

ACTIONAID TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. CORPORATE INFORMATION

ActionAid Tanzania ("the Company") is a non-government development organisation and a member of ActionAid International federation which was established in Tanzania in 1998 under Tanzania Society Ordinance 1954 as ActionAid International Tanzania and subsequently changed its registration to a Company limited by guarantee under Tanzania Companies Act, 2002 as of 23rd February 2011 and was accorded registration number 81643 After Change of the Company Act in 2019 ActionAid Tanzania complied and re-registered with the registrar of NGO under the new NGO Act 2019 of And accorded the registration number 00NGO/R2/00031

The principal activities of the Company are disclosed in the Directors' report.

2. BASIS OF PREPARATION

Basis of accounting and preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Tanzania Shillings (TZS).

Statement of compliance

The financial statements of ActionAid Tanzania have been prepared in compliance with International Financial Reporting Standard (IFRS) and comply with constitution establishing the Company.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. Changes resulting from the following new or revised standards and interpretations, amendments to existing standards and interpretations and improvements to IFRSs that were effective for the current reporting period did not have any impact on the accounting policies, financial position or performance of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Grant revenue from AAI UK is recognized on an accrual basis. Local income which constitutes income generated in Tanzania is also recognized on accrual basis.

b) Expenditure

These financial statements include expenditure incurred within Tanzania and overseas on behalf of the Company.

c) Allocation of Country office overhead

The ActionAid Tanzania country office overheads are shared with all programmes that are being run on the basis of actual directly attributable overheads subject to the restriction imposed by Action Aid's Global Financial Management Framework on maximum allowable overheads.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and reliable estimate of amount can be made.

e) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency is the Tanzania Shillings (TZS). The financial statements are presented in the Tanzania Shilling, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies during the year are recorded into Tanzania Shillings at rates ruling at the date of the transaction. Monetary assets and liabilities at the balance sheet date, which are dominated in foreign currencies, are retranslated into Tanzania Shillings at rates ruling at balance sheet date. The resulting differences are dealt with in the income statement in the year in which they arise.

f) Property and equipment

Items of property and equipment are capitalized and carried forward in the financial statements only if their cost exceeds GBP 5,000 (or its TZS equivalent) - items costing GBP 5,000 or below are expensed in the year of purchase. Such items of property and equipment are then carried at cost less accumulated depreciation and accumulated impairment losses.

Equipment is stated at cost less accumulated depreciation and accumulated impairment in value.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is computed on straight-line basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:	%
Building	10
Motor vehicles	33.33
Furniture and fittings	12.50

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

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the assets is included in the income statement in the year the asset is derecognized.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Property and equipment

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

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at banks and in hand and short-term deposits. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and cash equivalents defined above, net of outstanding bank overdrafts.

h) Stocks

All items of stock are expensed to the Statement of Income and Expenditure on acquisition

i) Pension and other post-employment benefits

As required by the local regulation, the Company contributes every month 15% of each employee gross salary to approved pension schemes (pension Fund) with each employee contributing 5% to the fund (except for Country Director is 3% employee and 10% for employer contributing to a non-approved pension scheme). The contributions are to cater for employees' pension benefits upon their retirement, permanent disability or termination. Company's contributions are included as resource expended in the year paid. Employees' contributions are not expenses of the Company but employees' themselves and therefore, not included in these financial statements.

The employer's contributions are charged to the income statement as they fall due.

j) Financial Instruments - initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Financial Instruments - initial recognition and subsequent measurement (continued)

The Company's financial assets include cash and short-term deposits, trade and other receivables, and loan and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follow:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance cost in the statement of comprehensive income.

The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

The Company evaluated its financial assets at fair value through profit and loss (held for trading) whether the intent to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income in finance cost

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Financial Instruments - initial recognition and subsequent measurement (continued)

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired.

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial company and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost the Company first assesses individually for financial assets that are individually significant whether objective evidence of impairment exists or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Financial Instruments - initial recognition and subsequent measurement (continued)

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income

continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, and loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdraft, and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Financial Instruments- initial recognition and subsequent measurement (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income. The Company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of Income and expenditure.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statement of Income and expenditure.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

l) Taxation

There is no charge to taxation as ActionAid Tanzania has been granted a charitable entity exemption.

5. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. 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:

Useful life of the asset

The Company made significant estimates in determining the useful life of the assets and intangibles and related depreciation and amortisation rates.

Provisions

Provisions are made when the Company has a present obligation, as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

ACTIONAID TANZANIA

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2019

6. NEW AND AMENDED STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standards issued but not yet effective up to the date of issuance of the Branch's financial statements are described below. This description is of standards and interpretations issued, which the Branch reasonably expects to be applicable at a future date. The Branch intends to adopt these standards when they become effective.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

The amendments to the definition of material is not expected to have a significant impact on the Branch's financial statements.

Other new and amended standards

The other new and amended standards issued but not yet effective are not expected to have an impact on the Company's financial statements.

ACTIONAID TANZANIA

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 TZS'000	2018 TZS'000
7. GRANTS FROM ACTION AID INTERNATIONAL		
Child Sponsorship	2,750,840	3,180,030
Transfers	(36,137)	(207,412)
	<u>2,714,703</u>	<u>2,972,618</u>
8. PROJECTS SPONSORSHIP INCOME		
African Governance Architecture	232,230	246,202
Education financing through mobilization of local resources	-	
Public Accountability Project		
People for Change Project	-	24,184
Public Financing for Agriculture	348,861	396,680
Strengthening Social Accountability & Oversight Capacity for Rights-based Public Resources Management in Health and Agriculture	329,483	497,018
Sustainable Development Goals	-	-
Singida Nutrition and agroecology project	26,082	189,098
Shared Resource's for Joint solution	146,968	76,945
Stop Violence Against Girls in School (SVAGS) in Tanzania	183,283	231,938
Prevention of Violence Against School Children	221,393	194,815
Breaking the Barriers	535,132	289,507
Femal Genital Mutilation	42,878	104,320
Gender Responsive and Public Services	311,515	96,797
Youth Empowerment and Influence in Tanzania	1,806,165	1,526,412
	<u>4,183,990</u>	<u>3,873,917</u>
9. OTHER INCOME		
Miscellaneous Income	12,838	16,232
	<u>12,838</u>	<u>16,232</u>
10. DIRECT PROGRAMME EXPENDITURE		
Grants and support to community and partner NGOs	1,240,660	1,120,252
Project costs	3,873,803	3,517,761
	<u>5,114,463</u>	<u>4,638,013</u>

ACTIONAID TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 TZS'000	2018 TZS'000
11. COUNTRY OFFICE COSTS		
Depreciation	48,385	
Directorate costs	208,605	227,915
Finance	324,250	271,307
Communication	51,690	72,196
Human Resources	152,456	182,795
Impact assessment and DA support	82,164	65,427
Information Systems	60,927	82,829
Office Administration	396,732	384,649
	<u>1,325,207</u>	<u>1,287,118</u>
12. OTHER COSTS		
Audit and professional fee	16,251	44,568
Governance cost	228,055	135,795
Fundraising costs	545,364	483,459
	<u>789,670</u>	<u>663,822</u>
13. FOREIGN EXCHANGE LOSS		

Foreign exchange loss during the year 2019 was 25,092,008 which results from translation of foreign denomination cash and cash equivalent balances. These include foreign cash balance held in AATZ Bank accounts and cash held by ActionAid International Secretariats on AATZ's behalf which is denominated in GBP.

ACTIONAID TANZANIA

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

14. PROPERTY AND EQUIPMENT

	Vehicles and cycles TZS'000	Other equipment TZS'000	Total TZS'000
Cost			
At 1 January 2019	353,133	54,173	407,306
Addition	145,169	-	145,169
Disposal	-	-	-
At 31 December 2019	<u>498,302</u>	<u>54,173</u>	<u>552,475</u>
Accumulated depreciation			
At 1 January 2019	353,133	54,173	407,306
Charge for the year	48,383	-	48,383
Disposal	-	-	-
At 31 December 2019	<u>401,516</u>	<u>54,173</u>	<u>455,699</u>
Carrying amount			
31 December 2019	<u>96,786</u>	<u>-</u>	<u>96,786</u>
Cost			
At 1 January 2018	353,134	54,173	407,307
Disposals	-	-	-
At 31 December 2018	<u>353,134</u>	<u>54,173</u>	<u>407,307</u>
Accumulated depreciation			
At 1 January 2018	353,133	54,173	407,306
Charge for the year	-	-	-
Disposal	-	-	-
At 31 December 2018	<u>353,133</u>	<u>54,173</u>	<u>407,306</u>
Carrying amount			
31 December 2018	<u>1</u>	<u>-</u>	<u>1</u>

ACTIONAID TANZANIA

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 TZS'000	2018 TZS'000
15. OTHER RECEIVABLES		
Staff debtors	6,361	36,541
Advances to Partners	174,238	296,907
Prepayments	83,321	199,724
	<u>263,920</u>	<u>533,172</u>
16. RELATED PARTY DISCLOSURES		
a) Related part balances		
Amount due from related parts		
AA Nigeria	-	5,557
AA Kenya	6,708	-
AA Mozambique	-	24,624
AA Zimbabwe	5,532	4,328
AA International Secretariat	31,344	85,471
Action Aid United States	-	5,998
AA Hellas	-	3,806
Action Aid United Kingdom	-	(8)
AA Denmark	-	11,186
AA Sweden	2,955	-
Accrued Income	106,669	152,390
Action Aid International-Income Held	1,116,947	982,283
	<u>1,270,155</u>	<u>1,275,635</u>
b) Transactions with related parties		
Income received from donors		
ActionAid Denmark	-	-
Anonymous	-	276,172
DANIDA	1,582,829	1,806,604
EU	96,005	330,224
OAK Foundation	276,746	- 2,070
NORAD	777,966	652,943
Bill & Melinda Gates foundation	425,422	0
MC Knight Foundation	26,082	115,986
Swedish Development Cooperation	251,334	503,481
International union for the conservation of nature	98,052	133,007
Solidarity Center	-	15,519
Radiohjalpen	-	230,872
Comic relief foundation	94,404	-
Total Income received	<u>3,628,840</u>	<u>4,062,737</u>
	2019 TZS'000	2018 TZS'000

ACTIONAID TANZANIA

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

17. CASH AND BANK BALANCES

Cash in hand	-	-
Cash at bank	467,841	1,375,555
	<u>467,841</u>	<u>1,375,555</u>

18. OTHER PAYABLES

Payables	252,440	268,688
Other payables	147,439	339,198
	<u>399,879</u>	<u>607,886</u>

19. DEFERRED REVENUE GRANT

As at 1 January	1,276,931	976,002
Grants received	3,628,840	4,062,737
Amortizations	(4,163,469)	(3,761,809)
As at 31 December	<u>742,302</u>	<u>1,276,931</u>

Current Year Movement of deferred grant income

Project Name	Balance as at 1st Jan 2019	Grants received during the year	Amortized Grants (spent during the year)	Grant Balance as at 31st Dec 2019
African Governance Architecture	84,022	96,005	180,027	
Public Accountability Project	70,433	-	45,866	24,568
People for Change Project	-	-	-	-
Public Financing for Agriculture	120,958	425,422	348,861	197,519
Strengthening Social Accountability & Oversight Capacity for Rights-based Public Resources Management in Health and Agriculture	63,965	251,334	315,299	-
Singida Nutrition and agro ecology project	-	26,082	26,082	-
Shared Resources for Joint solution	65,367	98,052	146,968	16,452
Stop Violence Against Girls in School (SVAGS) in Tanzania	183,283	-	183,283	-
Prevention of Violence Against School Children	-	276,746	221,393	55,353
Breaking the Barriers	215,188	449,937	535,132	129,993
Female Genital Mutilation	126,552	-	42,878	83,674
Gender Responsive and Public Services	51,451	328,029	311,515	67,966
Tanzania Tax Power Project	15,518	-	-	15,518
Youth Empowerment and Influence in Tanzania	280,192	1,582,829	1,806,165	56,855
Fit for the Future	-	94,404	-	94,404
Total	<u>1,276,931</u>	<u>3,628,840</u>	<u>4,163,469</u>	<u>742,302</u>

ACTIONAID TANZANIA

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2019

20. EMPLOYEES AND EMPLOYEES BENEFITS

(a) Compensation of key management personnel of the Company

Short-term employee benefits	427,769	460,312
Post-employment benefit	<u>54,534</u>	<u>43,022</u>
Total compensation paid to key management personnel	<u>482,303</u>	<u>503,334</u>

(b) There were no permanent employees during the period. Employees are members of local pension funds and have made contribution to the pension fund during the period.

21. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Company has not entered into commercial leases as of year-end.

The Company has entered into operating lease agreements on office rent. Leased office is contracted for a period of one-year renewable. At the reporting date, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	<u>TZS</u>	<u>TZS</u>
Within one year	69,985	116,016
Between two and three years	-	-
More than five years	-	-
	<u>69,985</u>	<u>116,016</u>

Capital commitments

At 31 December 2019 the Company had no capital commitments.

Legal claim contingencies

There is no legal claim in favour of or against the Company as at year end.

Contingent liabilities and assets

There are no known material contingencies at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company principal financial liabilities comprise intercompany payable and trade payables. The main purpose of these financial instruments is to raise finance for the Company operations. The Company has various financial assets such as trade receivables which arise directly from its operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks.

22. EVENTS AFTER REPORTING PERIOD

- (a) After the reporting period in January 1, 2020 Yaekob Metena resigned and Jovina Nawenzake, one of the Senior Manager was appointed to be Interim Country director for the transition period as the recruitment of the substantive Country Director was in process. New Country director was appointed on 1 April 2020.
- (b) As widely reported COVID-19 pandemic continues to affect countries and businesses globally. Risks to businesses arising from the pandemic could include market, services and supply chain disruptions, unavailability of key people resources, locations being quarantined, among others. Government of the United Republic of Tanzania, business communities and societies in general are taking appropriate preventive and remedial measures to combat the pandemic.

At the time of issuing these financial statements the members of the board have assessed that, whereas concerted preventive measures have been instituted to mitigate the possible negative impact of the pandemic to the organisation's operations, it was impracticable to determine, quantify and disclose the extent of the possible future direct or indirect impact of the pandemic to the organisation's operations. It is reasonably possible that certain assumptions, estimates and judgements used in preparation of the financial statements may be affected in the future by the possible negative impact and hence the carrying amounts of assets and liabilities reported in these financial statements.

There were no other events after the reporting period which require adjustment or disclosure in the financial statements