

TUMAINI LA MAISHA TANZANIA
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

TUMAINI LA MAISHA
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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Organization Information

Country of Incorporation	Tanzania
Date of Registration	6 October 2011
Principal Place of Operation and Registered Office	Muhimbili National Hospital Upanga West P.O. Box 65035 Dar es Salaam, Tanzania.
Certificate of Registration Number	86318
Certificate of Compliance Date	24 October 2011
Certificate of Compliance Number	1435
Directors	Dr. Blandina Lugendo Mr. Gerald Mongella Mr. Matthew Banks Dr. Trish Scanlan
Bankers	Stanbic Bank Center Branch Dar es Salaam, Tanzania.
Auditors	HLB MEKONSULT Certified Public Accountants 2 nd Floor, Acacia Estates Plot No. 84, Kinondoni Road P.O. Box 20651 Dar es Salaam, Tanzania. Corporate Office 15 th Floor, PPF Towers Ohio/Garden Avenue P.O. Box 20651 Dar es Salaam, Tanzania.

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List of Abbreviation

AGM	Annual General Meeting
EIR	Effective Interest Rate
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
MNH	Muhimbili National Hospital
NGO	Non-Government Organization
TLM	Tumaini La Maisha Tanzania

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1. INTRODUCTION

The Directors hereby submit their annual report together with the audited financial statements for the year ended 31st December 2014, which disclose the state of affairs of the Program as at that date.

2. PRINCIPAL ACTIVITIES

TLM main activities focus on the realization of free medical and non-medical service for children with cancer in Tanzania. However, in order for the Programme to realize this it has put forth a three year strategic plan from 2013 to 2015. The three year strategic plan was put forth on three major Result areas which were formulated to guide the TLM operations:

Outcome 1:

To improve access to quality non-medical support services for children with childhood cancer and their families

Outcome 2:

Ensure TLM capacity and sustainability to lead the provision of non-medical services to childhood cancer patients and their families

Outcome 3:

To influence the Government of Tanzania to lead and sustain the provision of childhood cancer care and treatment

3. BACKGROUND AND SUMMARY

Tumaini la Maisha is a local NGO dedicated to supporting children with cancer and increasing awareness of childhood cancer among health care professionals and parents across Tanzania.

The Paediatric Oncology Programme at MNH in Dar es Salaam is the only one of its kind in the country. The Programme currently treats around 450 children annually in its two wards. But with an estimated population of over 47 million people, Tanzania would expect to see up to 2300 new cases of childhood cancer each year.

TLM has supported MNH to improve the quality of clinical services to children with cancer. Children in Crossfire (CiC) Tanzania, INCTR, international donor organisations and individual philanthropists, as well as a wide range of local supporters that include mining corporations, the Tanzanian business sector, and the diplomatic community have joined in to support these efforts. CiC Tanzania coordinates implementation of all activities aimed to strengthen clinical service provision through a Paediatric Oncology Programme in close dialogue with the MoHSW.

TLM has been established to provide non-clinical support to children with cancer and to raise awareness of childhood cancer in Tanzania. TLM will also ensure the long term sustainability of the Paediatric Oncology Programme through local and international fundraising as well as advocacy with the Government of Tanzania to meet its obligations.

4. MISSION, VISION AND OBJECTIVES

Vision

All children with cancer in Tanzania have easy access to locally based high quality curative and palliative treatment leading to survival outcomes similar to resource rich settings.

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Directors' Report (Continued)

Mission

Working within the National health framework in Tanzania, to provide continuing medical education for local professionals, implement programmes to deliver top quality care, both medical and psychosocial, and extending out-reach until all children with cancer in Tanzania have been reached.

Goals

All children living in Tanzania who develop cancer are diagnosed in a timely fashion to enable treatment with curative intent and have appropriate access to good quality paediatric oncology services.

Target Groups and Beneficiaries

All children with cancer in Tanzania

5. DIRECTORS

Tumaini La Maisha Tanzania is well managed and its policies and operations are directed, controlled and managed in conformity with good corporate governance principles. To discharge the obligation contained in the TLM Board Charter, Board held its meetings as follows:

- (i) 4 Ordinary Board Meetings
- (ii) 2 Extra ordinary Meetings

These meetings deliberated on matters relating to the control and performance of the programme. The Board Members who served Tumaini La Maisha Tanzania during the year under review are:

NAME	POSITION	NATIONALITY	AGE	QUALIFICATION
Dr. Blandina Lugendo	Chairperson	Tanzanian	44	BSc, MSc and PhD in Marine Ecology
Mr. Gerald Mongella	Treasurer	Tanzanian	45	ICT Expert
Mr. Matthew Banks	Member	British	44	MA in Humanitarian and Development Practice
Dr. Trish Scanlan	Member	Irish	41	MB BCh BAO MRCPI (PAEDS)

6. MANAGEMENT OF THE PROGRAMME

The Management team is headed by the Director who manages day to day activities of the Programme. The Director is assisted by the management team which is comprised of Finance and Programme Administrator and Project Manager.

Total number of staff was 16 comprising of programme staff and supporting staff - 2 males and 14 females.

7. KEY MANAGEMENT PERSONNEL OF THE PROGRAMME

The management team that served the Programme during the year ended 31 December 2014 were:

Name	Position
Ms. Janet Mbuguni	Director
Ms Twedikage Jumbe	Finance and Programme Administrator
Mr. David Sizya	Programme Manager

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Directors' Report (Continued)

11. TLM PERFORMANCE

SUMMARY

In the first quarter of new strategic year 2014, most of the programmes have been implemented with improvements made from lesson learnt in 2013.

The year started with promising development of Nonclinical support programmes for the children with cancer and their families at the Hospital Ward and Ujasiri house. The second quarter took place rather slowly due to the low number of inpatients and the focus was on strengthening and improving the programmes and introducing new programmes, such as the nutritional programme which further complimented further provision of nonclinical services to children with cancer and support their families. This was facilitated by in house trainings conducted by different specialists and the visit from our friends Love, Hope and Strength Organisation, CiC founder, amongst other greatly appreciated visitors.

The third quarter kick started by strong improvements in IGA programme which was designed to help parents increase their income earning and the skills development. The process which was pioneered by our partner The Impact Plan Org who supported parents IGA groups by enabling their handmade products have access to a bigger market in the United States of America as well as establishing a local market for the same.

Fourth Quarter saw the efforts being directed to the selected few programmes which remained. Challenges surfaced due to the limited number of staff, but also we were able to create partnership with other organizations generating a wide range provision of clinical and non-clinical support to children with cancer and their families. Impact plan has been an important vehicle to TLM immediate needs for financial and organizational support during this quarter.

12. CORPORATE GOVERNANCE

Code of Corporate Practice and Conduct

TLM is committed to the principles of effective corporate governance and the Board is of the opinion that the programme currently complies with principles of Good Corporate Governance.

The Board of Directors

The Board of Directors of TLM consist of four Directors. The Board take the overall responsibility for the programme, including responsibility for identifying key risk areas, considering significant financial matters and reviewing the performance of management against any budgets and strategic plans. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures are operative and are in compliance with sound corporate governance principles.

The Board is chaired by a Director, who has no Director functions. The roles of the Chairperson and the Director are separate, with each having set of responsibilities. The Board is confident that its members have the knowledge, commitment and experience to lead the Programme. The Non-Director Directors are independent of management and exercise their independent judgment. With their depth of experience, they add value to the Board's deliberations.

The Board is required to meet at least four times a year. The Board delegates the day to day management of the Programme to the Director, assisted by the management team. The management is always invited to attend the Board meetings to report on the progress of the TLM's Programmes results and financial performance on quarterly basis.

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Directors' Report (Continued)

It is the Programme's philosophy to manage and control its business on various level of responsibility. The management meets regularly on monthly basis to review operations, key financial indicators and the overall business strategies of the programme.

Risk management and internal control

The Board accepts final responsibility for the risk management and internal control systems of the programme. It is the task of the management 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 Programme assets (including information)
- Compliance with the applicable laws, regulations and supervisory requirements
- The reliability of the accounting records
- Operation sustainability under normal as well as adverse conditions and responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of noncompliance of such measures by staff. Consequently, even a strict and efficient internal control system can provide no more than a reasonable measure of assurance in respect of the above mentioned objective. The Board assessed the internal control systems throughout the financial year ended 31 December 2014 and is of the opinion that they met acceptable criteria.

Ethical behaviour

The Programme Code of conduct governs all activities, internal relations and interactions with stakeholders in accordance with its ethical values. It is expected of all staff to maintain the higher level of integrity and honesty in dealing with children, donors, suppliers, government agencies and all stakeholders.

Business ethics and organizational integrity

The Programme code of conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its Directors, managers, employees, members, suppliers and other stakeholders. The Directors and staff are expected to fulfil their ethical obligations in such a way that the services are run strictly according to human rights competitive practices.

Financial Reporting and Auditing

The directors accept final responsibility for the preparation of the annual financial statements which fairly present: The financial position of the programme as at the end of the year under review, The financial results of the operations, as well as, The cash flows for that period.

The responsibility for compiling the annual financial statements was delegated to the management. The external auditors report on whether the annual financial statements are fairly presented.

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Directors' Report (Continued)

The Directors are satisfied that during the year under review

- Adequate accounting records were maintained
- An effective system of internal control and risk management, monitored by management was maintained.
- Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently and
- The financial statements were compiled in accordance with International Financial Reporting Standards and in the manner required by the Tanzania Companies Act of 2002.
- The Directors are also satisfied that no material event has occurred between the financial year end and the date of this report. The Directors are of the opinion that the programme still requires more resources and commitments at its disposal to operate the Programmes for whole period of its two years 2014 - 2014 Strategic plan. The financial statements have been prepared on a going concern basis.

13. GOING CONCERN

The Directors are satisfied that the TLM has the resources to continue in operations for the foreseeable future. Furthermore, they have confirmed that they are not aware of any material uncertainties that may cast significant doubt upon the TLM ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

14. ACCOUNTING POLICIES

The annual financial statements are prepared on the underlying assumption of a going concern. The TLM accounting policies, which are laid out on pages 15 to 17 are subject to an annual review to ensure compliance with International Financial Reporting Standards.

15. SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that Legal and Human Rights Programme has adequate resources to continue in operational existence for the foreseeable future.

16. GENDER PARITY

The TLM 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, tribes, religion and disability which does not impair ability to discharge duties. As at 31 December 2014 the TLM had staff distribution which shows male were 14% and female 86%.

	2014	2013
Gender		
Male	2	2
Female	12	14
Total	14	16

17. POLITICAL AND CHARITABLE DONATIONS

The TLM did not make any political donations as well as donations to charitable and other Programmes during the year.

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Directors' Report (Continued)

18. EMPLOYEE WELFARE

Management/employee relationship

The relationship between employees and management was good during the reporting period. Any complaints were resolved through discussions and work morale was good. There were no unresolved complaints from employees.

Benefits

Employees received pay for annual leave which is distributed evenly during the 12 months. Another benefit which is statutory in nature is that employees are members of Parastatal Pension Fund (PPF) whereby the TLM contributed 10% of the basic salary of each employee.

Training

On job training programs were developed to ensure employees were adequately trained at all levels.

Persons with Disability

TLM's policy to give equal opportunities to disabled persons for any available vacancies.

19. ENVIRONMENTAL MATTERS

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

20. RESPONSIBILITIES OF THE MANAGEMENT

It is the responsibility of the management to prepare financial statements for each financial period that gives a true and fair view of the state of affairs of the organization as at the end of the financial year and of the financial activities of the Programme for the year. The management team is also responsible for keeping proper accounting records which disclose the reasonable accuracy at any time the financial position of the Programme. Management is also responsible for safeguarding the assets of the Programme, ensuring the Programme comply with all regulatory and legal requirements and for taking reasonable steps for prevention and detecting fraud, error and other irregularities.

The Management accepts 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 a basis of accounting as described in Note 1 and in accordance with the terms of funding agreements. The Management team is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of TLM and its financial activities. The Management team further accepts responsibility for the maintenance of accounting records, which may be relied upon.

Management is also responsible in ensuring that the terms of section 29 of Non-Government Organizations Acts 24 of 2002 and NGO regulations of 2004 are adhered to.

21. AUDITORS

HLB MEKONSULT was appointed to audit the TLM's financial statements for the year ended 31 December 2014.

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Directors' Report (Continued)

On behalf of Tumaini La Maisha Tanzania Directors

BY ORDER OF THE BOARD

Bugendo

Dr. Blandina Lugendo
Board Chairperson

05/12/2016

Date

G. Mongella

Mr. Gerald Mongella
Treasurer

05/12/2016

Date

TUMAINI LA MAISHA TANZANIA
P. O. Box 23204
DAR ES SALAAM

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Statement of Profit or Loss and Other Comprehensive Income

INCOME	Notes	2014 TZS	2013 TZS
Grants	4	223,785,464	312,033,130
Total Income		223,785,464	312,033,130
OPERATING EXPENSES			
Administration Expenses	5	51,210,544	28,548,700
Operating Expenses	6	260,607,603	137,030,905
Total Expenses		311,818,147	165,579,605
Surplus		(88,032,683)	146,453,526
Other Comprehensive Income		-	-
Surplus		(88,032,683)	146,453,526

The notes on page 15 to 17 form an integral part of these financial statements.

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Statement of Financial Position

	Notes	2014 TZS	2013 TZS
ASSETS			
Non-current Assets			
Property and Equipment	9	22,275,000	-
		22,275,000	-
Current Assets			
Cash and cash equivalents	7	37,845,843	146,479,126
		37,845,843	146,479,126
Total Assets		60,120,843	146,479,126
LIABILITIES			
Current Liabilities			
Payables and accruals	8	1,700,000	25,600
		1,700,000	25,600
Total Liabilities			
		58,420,843	146,453,526
NET ASSETS			
EQUITY			
Accumulated Fund		58,420,843	146,453,526
Total Equity		58,420,843	146,453,526

The notes on page 15 to 19 form an integral part of these financial statements. The financial statements on pages 11 to 14 were approved by the Board of Directors and were signed on its behalf by:

Bugendo

Dr. Blandina Lugendo
Board Chairperson

05/12/2016 2016

G. Mongella

Mr. Gerald Mongella
Treasurer

05/12/2016 2016

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Statement of Changes in Accumulated Fund

	2014	2013
	TZS	TZS
As at 1 January	146,453,526	-
Surplus/(Deficit) for the year	(88,032,683)	146,453,526
As at 31 December	58,420,843	146,453,526

The notes on page 15 to 19 form an integral part of these financial statements.

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Statement of Cash Flows

	2014 TZS	2013 TZS
CASH FLOWS FROM OPERATING ACTIVITIES:		
Deficit/Surplus	(88,032,683)	146,453,526
Adjustments for:		
Depreciation and amortization	7,425,000	-
Operating cash flows before working capital changes	(80,607,683)	146,453,526
Decrease/(increase) Receivable	-	-
(Decrease)/Increase in creditors and accruals	1,674,400	25,600
Cash generated from operations	(78,933,283)	146,479,126
Tax paid	-	-
Net Cash from operating activities	(78,933,283)	146,479,126
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of motor vehicle	(29,700,000)	-
Net cash used in investing activities	(29,700,000)	-
CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash flows from financing activities	-	146,479,126
Net change in cash and cash equivalents	(108,633,283)	146,479,126
Cash and cash equivalents at 1 January	146,479,126	-
Cash and cash equivalents at 31 December	37,845,843	146,479,126

The notes on page 15 to 19 form an integral part of these financial statements.

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Notes to the Financial Statements

1. GENERAL INFORMATION

Tumaini la Maisha is a local NGO dedicated to supporting children with cancer and increasing awareness of childhood cancer among health care professionals and parents across Tanzania.

The Paediatric Oncology Programme at MNH in Dar es Salaam is the only one of its kind in the country. The Programme currently treats around 450 children annually in its two wards. But with an estimated population of over 47 million people, Tanzania would expect to see up to 2300 new cases of childhood cancer each year.

2. BASIS OF PREPARATION OF ACCOUNTS

2.1. Statement of Compliance

The financial statements are prepared in accordance with and comply with modified cash basis of accounting.

2.2. Basis of Measurements

Items in the financial statements have been measured under the historical cost convention.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost basis of accounting.

3.2 Income and Expenditure Recognition

i. Income recognition

All funds received from Development Partners are recognised when received.

ii. Expenditure recognition

The effects of expenses are recognised when they occur (and not as cash or its equivalents is paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

iii. Capital Expenditure

Capital expenditure comprises purchase price for fixed assets including import duties, and non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended, and other direct costs.

iv. Depreciation

Depreciation is calculated on a straight-line method so as to allocate the cost to their residual values over their estimated useful life. Depreciation is charged as expenses for the period. The useful lives of items of property and equipment's have been estimated annually and are in line with the rate at which they are depreciated. The annual rates used for this purpose are as follows;

Detail

Motor Vehicles

Depreciation rate

25%

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Notes to the Financial Statements (Continued)

v. Retirement Benefit Costs

As required by the Tanzanian laws and regulations, TLM contributes to two statutory pension schemes (PPF and PSPF) for its employees. The contributions are computed based on rates determined by prevailing legislations - currently it is limited to 20% per month based on employee's monthly salaries. The TLM's contributions to the funds are included as resources expended in the period paid.

vi. Taxation

TLM is a charitable organisation as per government notice number 615 of 23rd December 1994 and therefore is exempted from the corporation tax on income or surplus.

vii. Cash and Cash Equivalents

For the purpose of statement of cash flow, cash and cash equivalents comprise cash in hand and cash at bank

4. REVENUE

	2014	2013
	TZS	TZS
Nonprofit Organization Grants	159,638,760	101,357,045
Corporate / Business Grants	60,154,830	210,676,085
Total	219,793,590	312,033,130

5. ADMINISTRATION EXPENSES

Admin Staff Salaries	32,510,493	22,890,000
PPF Employer's Contribution	11,412,096	2,265,000
Skills Development Levy	1,277,950	1,132,500
Printing & Copying	1,667,200	1,372,200
Postage & shipping	100,805	889,000
Telephone & Internet	4,242,000	-
Total	51,210,544	28,548,700

6. OPERATING EXPENSE

Project Activities	6,035,711	45,405,365
Other Expenses	16,459,566	10,001,100
Outside computer Services	329,392	-
Membership dues	400,000	-
Conferences, Conventions, meeting	3,380,000	-
Travel	2,473,500	392,000
Depreciation	7,425,000	-
Car Fuel, maintenance, parking	3,102,200	-
Supplies	21,698,361	7,746,467
Bus Fare for Patient	6,001,900	1,325,600
Safari Diet	1,110,000	-
In house publication	-	700,000
Accounting Fees	-	4,130,000
Staff Salaries	186,035,361	53,992,710
PPF Employer's Contribution	2,555,900	10,390,050
Skills Development Levy	3,600,712	2,888,010
Exchange Gain or Loss	-	59,603
Total	260,607,603	137,030,905

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Notes to the Financial Statements (Continued)

7. CASH AND CASH EQUIVALENTS

	2014	2013
	TZS	TZS
STANBIC BANK	37,845,843	146,189,126
Petty Cash	-	290,000
	<u>37,845,843</u>	<u>146,479,126</u>

8. PAYABLES AND ACCRUALS

Burhani Pharmacy	1,700,000	-
MO DEWJI TRANSPORT	-	25,600
	<u>1,700,000</u>	<u>25,600</u>

9. PROPERTY, PLANT AND EQUIPMENT

Cost		
At 1 January 2014		-
Additions	29,700,000	29,700,000
	-	-
At 31 December 2014	<u>29,700,000</u>	<u>29,700,000</u>
Depreciation		
At 1 January 2014	-	-
Charge for the year	7,425,000	7,425,000
At 31 December 2014	<u>7,425,000</u>	<u>7,425,000</u>
NET BOOK VALUE		
At 31 December 2014	<u>22,275,000</u>	<u>22,275,000</u>

10. COMPARATIVES

Where necessary, the figures have been adjusted and re-grouped to conform to changes in presentation in the current year.

11. FOREIGN CURRENCY TRANSLATIONS

Transactions in currencies other than Tanzania Shillings are recorded at rates prevailing at the transaction dates. Monetary assets and liabilities that are denominated in foreign currencies are translated into Tanzania Shillings at the rates prevailing at the balance sheet date. The resulting differences from conversion and translation are included in the results for the year.

12. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Organisation has exposure to the following risks from its use of financial instruments:

- Liquidity risk;
- Currency risk; and
- Market risk

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Notes to the Financial Statements (Continued)

This note presents information about the Organisation's exposure to each of the above risks, the Organisation's objectives, policies and processes for measuring and managing risk, and the Organisation's management of Accumulated Fund. Further quantitative disclosures are included throughout these financial statements.

The Organisation's risk management policies are established to identify and analyse the risks faced by the Organisation, to set appropriate risk limits and controls, and to monitor risk adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions. The Organisation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Organisation's directors have overall responsibility of the establishment and oversight of the Organisation's risk management framework. The Directors are responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risk faced by the Organisation. The Directors are assisted in these functions by the management

13. LIQUIDITY RISK

Liquidity risk is the risk that the Organisation will not be able to meet its financial obligations as they fall due. The Organisation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Organisation's reputation.

All liquidity policies and procedures are subject to review and approval by the Organisation's board of directors.

14. CURRENCY RISK

The Organisation is exposed to currency risk on financial assets and liabilities that are denominated in a currency other than the respective functional currency of the Organisation, i.e. US Dollars (USD). The currencies in which Organisation's transactions giving rise to financial assets and liabilities are primarily denominated in US Dollars (USD) and Tanzania shillings (TZS).

The Organisation strategy towards managing its foreign currency exposure is through transacting mainly using its functional currency.

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments; disclosure around market risk also relates to sensitivity analysis of the type of market risk – currency risk, showing how the surplus or deficit and accumulated fund would have been affected by reasonably possible changes in the relevant risk variable at the period end date.

15. CURRENCY RISK

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Notes to the Financial Statements (Continued)

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments; disclosure around market risk also relates to sensitivity analysis of the type of market risk – currency risk, showing how the surplus or deficit and accumulated fund would have been affected by reasonably possible changes in the relevant risk variable at the period end date.

16. MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc will affect the Organisation's value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk can further be divided into currency risk and interest rate risk. The Organisation did not hold any interest bearing financial assets and liabilities as at 30 June 2015.

17. CONTINGENT LIABILITY AND COMMITMENTS

The Directors are not aware of any pending or threatened litigation against the Organisation as at the date of this report.