TUMAINI LA MAISHA TANZANIA

DIRECTORS’ REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
# Table of Contents

DIRECTORS' REPORT AND FINANCIAL STATEMENTS .................................................. 3  
INDEPENDENT AUDITORS REPORT .......................................................................... 10  
Statement of Profit or Loss and Other Comprehensive Income ............................. 11  
Statement of Financial Position ........................................................................... 12  
Statement of Changes in Accumulated Fund ....................................................... 13  
Statement of Cash Flows ..................................................................................... 14  
Notes to the Financial Statements ..................................................................... 15
TUMAINI LA MAISHA
DIRECTORS’ REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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
2nd Floor, Acacia Estates
Plot No. 84, Kinondoni Road
P.O. Box 20651
Dar es Salaam, Tanzania.

Corporate Office
15th Floor, PPF Towers
Ohio/Garden Avenue
P.O. Box 20651
Dar es Salaam, Tanzania.
# List of Abbreviation

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGM</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>EIR</td>
<td>Effective Interest Rate</td>
</tr>
<tr>
<td>IAS</td>
<td>International Accounting Standard</td>
</tr>
<tr>
<td>IASB</td>
<td>International Accounting Standards Board</td>
</tr>
<tr>
<td>IFRIC</td>
<td>International Financial Reporting Interpretation Committee</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>MNH</td>
<td>Muhimbili National Hospital</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organization</td>
</tr>
<tr>
<td>TLM</td>
<td>Tumaini La Maisha Tanzania</td>
</tr>
</tbody>
</table>
INTRODUCTION

The Directors hereby submit their annual report together with the audited financial statements for the year ended 31st December 2013, which disclose the state of affairs of the Program as at that date.

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.

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.

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.
TUMAINI LA MAISHA
DIRECTORS’ REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Directors’ Report (Continued)

Mission
Working within the National health frame work 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:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>NATIONALITY</th>
<th>AGE</th>
<th>QUALIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Blandina Lugendo</td>
<td>Chairperson</td>
<td>Tanzanian</td>
<td>46</td>
<td>BSc, MSc and PhD in Marine Ecology</td>
</tr>
<tr>
<td>Mr. Gerald Mongella</td>
<td>Treasurer</td>
<td>Tanzanian</td>
<td>47</td>
<td>ICT Expert</td>
</tr>
<tr>
<td>Mr. Matthew Banks</td>
<td>Member</td>
<td>British</td>
<td>46</td>
<td>MA in Humanitarian and Development Practice</td>
</tr>
<tr>
<td>Dr. Trish Scanian</td>
<td>Member</td>
<td>Irish</td>
<td>43</td>
<td>MB BCh BAO MRCPI (PAEDS)</td>
</tr>
</tbody>
</table>

6. MANAGEMENT OF THE PROGRAMME
The Management team is headed by the Managing 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 2013
were:

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

8. DIRECTORS’ EMOLUMENTS
The Programme paid no Directors’ fees during the year.
9. STRATEGIC PLAN

TLM identified two key strategic areas which will guide its work towards better care and treatment for children with cancer in Tanzania. The rationale for each area is set out below as outcomes for a period of three years from 2013-2015.

Objective 1:
To improve access to quality non-clinical support services to children with cancer and their families
Rationale – the treatment of children with cancer needs to be looked at from a holistic scenario, support both clinical and non-clinical; this will lead to an improved well-being of children receiving treatment for cancer in Tanzania. Therefore TLM need to play a vital role to ensure the psychosocial wellbeing of the child is addressed as well as the medical need of the patient.

Objective 2
To ensure TLM capacity and sustainability to lead the provision of non-medical services to childhood cancer patients and their families
Rationale – TLM being a local non for profit organization strategic measures have to be put in place to ensure that the financial resources are available as well as the human resource is in place to ensure continual support for the children receiving treatment for cancer.

In order for TLM to realize the strategic objectives stated it need to ensure that internal control systems and structures are in place and to identify gaps that may arise and act on best practices that have risen to ensure proper provision of services to the children receiving cancer treatment in Tanzania.

Objective 3:
To influence the Government of Tanzania to lead and sustain the provision of childhood cancer care and treatment
Rationale–The Government through its National Cancer Control Strategy has stated that the treatment for cancer in Tanzania is provided free of charge to all patients, TLM will ensure the government continues to support cancer treatment for children in Tanzania free of charge by supporting the initiatives set forth by the government.

10. RESULTS

The results for the year are set out on page 12 and are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Surplus</td>
<td>146,453,526</td>
</tr>
<tr>
<td>Taxation</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus for the year</strong></td>
<td><strong>146,453,526</strong></td>
</tr>
</tbody>
</table>

11. TLM PERFORMANCE

DIRECTOR SUMMARY
The first quarters on TLM strategic plan was mainly on establishing and implement programmes that support children with cancer and their parents/guardian. 15th of February 2013 TLM launched officially its seven programmes namely Ujasiri House (a long stay House), Daily school Programme, Income Generating Activities (IGA), Life skills, Parent support Group, Social Programme, and Nutritional Programme.
TUMAINI LA MAISHA
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Directors' Report (Continued)

The second quarter was focused on strengthening and improving existing programmes and introducing new programmes that compliment further provision of nonclinical services to children with cancer and support their families which remarkably improvements on the way of delivering projects. This was facilitated by in house trainings conducted by different specialists.

The focus of the third quarter was to create partnership and visibility meetings with other children centred organizations such as UNICEF, CEFA, C-SEMA, FEMINA, and DOGODOGO CENTER to establish networking to add value to our children programmes and collaboration in different aspects.

Fourth Quarter aimed at pushing the efforts to networking in all aspects from programme implementations to create partnership with other organization generating a wide range provision of non-clinical support to children with cancer and support their families as the result TLM is now a full member of the Children Agenda campaign (Agenda ya Watoto) a coalition of civic society organizations who are committed advocates for child rights and are collaborating on the development and implementation of a national advocacy strategy for child rights in Tanzania.

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 takes 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 Directors 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 Managing 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.

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:
Directors’ Report (Continued)

- 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.

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 2013 - 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 18 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
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 2013 the TLM had staff distribution which shows male were 13% and female 87%.

<table>
<thead>
<tr>
<th>Gender</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>2</td>
</tr>
<tr>
<td>Female</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
</tr>
</tbody>
</table>

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.

18. EMPLOYEES’ 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 is to give equal opportunities to disabled persons for any available vacancies.
Directors' Report (Continued)

19. ENVIRONMENTAL MATTERS

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 2013.

On behalf of Tumaini La Maisha Tanzania Directors

BY ORDER OF THE BOARD

Dr. Blandina Lugendo
Board Chairperson

Mr. Gerald Mongella
Treasurer

05/12/2016
Date

05/12/2016
Date
INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF TUMAINI LA MAISHA (TLM)

We have audited the financial statements of Tumaini la Maisha (TLM), which comprise the Statement of Financial Position as at 31 December 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 15 to 17.

Management’s Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements on the basis of accounting described in Note 1. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considered internal control relevant to entity’s preparation and fair presentation of financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Tumaini la Maisha (TLM) as of 31 December 2013 and its financial performance and cash flows for the period then ended in conformity with the basis of accounting described in Section 1.

Report on Other Legal and Regulatory Requirements

In our opinion, proper accounting records have been kept by the trust and the financial statements referred to in the preceding paragraph are in agreement with the accounting records and comply with other legal and regulatory requirements as per Tanzania Laws.

Signed by: Elinsadile K. Msuri
Partner

Certified Public Accountants
DAR ES SALAAM

2nd Floor, Acacia Estates, 84 Kinondoni Rd. P.O Box 20651, Dar es Salaam, Tanzania.
Telephone: +255 (0) 22 292 3422 Fax: +255 (0) 736 60 30 23
E-mail: info@mekonsult.co.tz Web: www.mekonsult.co.tz

A member of HLB International
TUMAINI LA MAISHA
DIRECTORS’ REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of Profit or Loss and Other Comprehensive Income

<table>
<thead>
<tr>
<th>Note</th>
<th>2013 TZS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>INCOME</td>
<td></td>
</tr>
<tr>
<td>Grants Income</td>
<td>312,033,130</td>
</tr>
<tr>
<td>Total Income</td>
<td>312,033,130</td>
</tr>
<tr>
<td>OPERATING EXPENSES</td>
<td></td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>28,548,700</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>137,030,905</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>165,579,605</td>
</tr>
<tr>
<td>Surplus</td>
<td></td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td></td>
</tr>
<tr>
<td>Surplus</td>
<td>146,453,526</td>
</tr>
</tbody>
</table>

The notes on page 15 to 18 form an integral part of these financial statements.

The independent auditors’ report – Page 10
TUMAINI LA MAISHA  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

**Statement of Financial Position**

<table>
<thead>
<tr>
<th>Note</th>
<th>2013 TZS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Non-current Assets</td>
<td></td>
</tr>
<tr>
<td>Property and Equipment</td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>146,479,126</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>146,479,126</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
</tr>
<tr>
<td>Payables and Accruals</td>
<td>25,600</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>25,600</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>146,453,526</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
</tr>
<tr>
<td>Accumulated Fund</td>
<td>146,453,526</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>146,453,526</td>
</tr>
</tbody>
</table>

The notes on page 15 to 18 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:

Dr. Blandina Lugendo  
Board Chairperson  
05/12/2016 2016

Mr. Gerald Mongella  
Treasurer  
25/12 2016

The independent auditors' report – Page 10
TUMAINI LA MAISHA
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

**Statement of Changes in Accumulated Fund**

<table>
<thead>
<tr>
<th>2013</th>
<th>TZS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>146,453,526</td>
</tr>
</tbody>
</table>

As at 1 January 2013

Surplus for the year

**As at 31 December 2013**

|       | 146,453,526 |

The notes on page 15 to 18 form an integral part of these financial statements.

The independent auditors’ report – Page 10
<table>
<thead>
<tr>
<th>Description</th>
<th>2013 TZS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Profit / (Loss) before taxation</td>
<td>146,453,526</td>
</tr>
<tr>
<td>Adjustments for:-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
</tr>
<tr>
<td>Net effect of prior years' adjustments</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating cash flows before working capital changes</strong></td>
<td>146,453,526</td>
</tr>
<tr>
<td>Decrease/(increase) Receivable</td>
<td>-</td>
</tr>
<tr>
<td>(Decrease)/Increase in creditors and accruals</td>
<td>25,600</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>146,479,126</td>
</tr>
<tr>
<td><strong>Net Cash from operating activities</strong></td>
<td>146,479,126</td>
</tr>
<tr>
<td><strong>Cash Flow from Investing Activities</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td>-</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>146,479,126</td>
</tr>
<tr>
<td>Cash and cash equivalents at 1 January 2013</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at 31 December 2013</strong></td>
<td>146,479,126</td>
</tr>
</tbody>
</table>

The notes on page 15 to 18 form an integral part of these financial statements.

The independent auditors' report – Page 10
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;

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

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Profit Organisation Grants</td>
<td>101,357,045</td>
</tr>
<tr>
<td>Corporate / Business Grants</td>
<td>210,676,085</td>
</tr>
<tr>
<td><strong>Total Grants Income</strong></td>
<td><strong>312,033,130</strong></td>
</tr>
</tbody>
</table>

5. ADMINISTRATION EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin Staff Salaries</td>
<td>22,890,000</td>
</tr>
<tr>
<td>PPF Employer's Contribution</td>
<td>2,265,000</td>
</tr>
<tr>
<td>Skills Development Levy</td>
<td>1,132,500</td>
</tr>
<tr>
<td>Printing &amp; Copying</td>
<td>1,372,200</td>
</tr>
<tr>
<td>Telephone &amp; Internet</td>
<td>889,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,548,700</strong></td>
</tr>
</tbody>
</table>

6. OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Activities</td>
<td>45,405,365</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>10,001,100</td>
</tr>
<tr>
<td>Travel</td>
<td>392,000</td>
</tr>
<tr>
<td>In-house publication</td>
<td>700,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>7,746,467</td>
</tr>
<tr>
<td>Accounting Fees</td>
<td>4,130,000</td>
</tr>
<tr>
<td>Bus Fare for Patient</td>
<td>1,325,600</td>
</tr>
<tr>
<td>Staff Salaries</td>
<td>53,992,710</td>
</tr>
<tr>
<td>PPF Employer's Contribution</td>
<td>10,390,050</td>
</tr>
<tr>
<td>Skills Development Levy</td>
<td>2,888,010</td>
</tr>
<tr>
<td>Exchange Gain or Loss</td>
<td>59,603</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>137,030,905</strong></td>
</tr>
</tbody>
</table>

7. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>STANBIC BANK</td>
<td>146,189,126</td>
</tr>
<tr>
<td>Petty Cash</td>
<td>290,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>146,479,126</strong></td>
</tr>
</tbody>
</table>
8. PAYABLES AND ACCRUALS

<table>
<thead>
<tr>
<th>MO DEWJI TRANSPORT</th>
<th>25,600</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,600</strong></td>
</tr>
</tbody>
</table>

9. COMPARATIVES

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

10. 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.

11. 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

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.

12. 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.
13. 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.

14. 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.

15. 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.