

TUMAINI LA MAISHA TANZANIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

TUMAINI LA MAISHA TANZANIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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TUMAINI LA MAISHA TANZANIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

LIST OF ABBREVIATION

BSc	Bachelor of Science
EIR	Effective Interest Rate
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ICT	Information Communication Technology
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
INCTR	International Network for Cancer Treatment and Research
KCMC	Kilimanjaro Christian Medical Centre
MNH	Muhimbili National Hospital
MoHCDGEC	Ministry of Health, Community Development, Gender, Elderly and Children
MSc	Master of Science
NGO	Non-Government Organization
NHIF	National Health Insurance Fund
NSSF	National Social Security Number
PhD	Doctor of Philosophy
TLM	Tumaini La Maisha Tanzania
UK	United Kingdom
US	United States

TUMAINI LA MAISHA TANZANIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

ORGANISATION INFORMATION

Principal Place of Operation and Registered Office

Tumaini La Maisha Tanzania,
Muhimbili National Hospital,
Kalenga Street / Upanga West,
P.O. Box 65030,
Dar es Salaam,
Tanzania.

Banker

First National Bank,
Peninsula Branch,
P.O. Box 72290,
Dar es Salaam,
Tanzania.

NMB Bank PLC,
Muhimbili Branch,
P.O. Box 9213,
Dar es Salaam,
Tanzania.

Auditor

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

DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Introduction

The Directors hereby submit their report together with the audited financial statements for the year ended 31 December 2020, which disclose the state of affairs of the organization as at that date.

2. 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 Muhimbili National Hospital in Dar es Salaam is the only one of its kind in the country. The programme currently treats more than 700 children annually in its two wards at Muhimbili National Hospital and 7 partner centers across the country, but with an estimated population of over 60 million people, Tanzania would expect to see up to 4,500 new cases of childhood cancer each year.

TLM has supported MNH to improve the quality of clinical services to children with cancer. International donor organizations and individual philanthropists, as well as a wide range of local supporters that include the Tanzanian business sector and the diplomatic community have joined hands to support these efforts. TLM coordinates implementation of all activities aimed to strengthen clinical service provision through a Paediatric Oncology Programme in close dialogue with the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC).

TLM has been established to provide clinical and non-clinical support to children with cancer and to raise awareness of childhood cancer in Tanzania. TLM works to 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.

3. Mission, Vision and Objectives

Mission

Children with cancer in Tanzania have appropriate access to quality services leading to cure rates seen in resource rich settings.

Vision

No child in Tanzania suffers or dies unnecessarily from cancer.

TLM's core values are:

- Commitment - to reach and provide free treatment to every child with cancer in Tanzania.
- Excellency - to provide the highest quality of care and to use all available resources effectively and efficiently.
- Partnership - to work continuously in collaboration with the Ministry of Health, the national Paediatric Oncology Network, CHI, Muhimbili University of Health and Allied Sciences (MUHAS) and our donors and supporters to make our vision of a comprehensive and coordinated national service a reality.
- Integrity - to ensure accountability and transparency with all funding received and services offered for children in treatment.
- The Now & the Future - maintaining two equal priorities: providing the absolute best for children now by whatever means available, while constantly striving for local system strengthening for the children of the future.

Strategic

1. In partnership with the MoHCDGEC provide access to free quality paediatric oncology clinical services for all Tanzanian children through a national network of medical centers – the National Children's Cancer Network (NCCN)

TUMAINI LA MAISHA TANZANIA

DIRECTORS REPORT (CONTINUED)

2. Expand the psycho-social support of patients and their families to improve adherence to treatment and support family understanding of cancer and treatment plans;
3. Provide comprehensive sub-specialist training for multi-disciplinary healthcare workers as well as raise public awareness on key issues relating to paediatric oncology;
4. Establish a paediatric M&E framework for paediatric oncology cases;
5. Complete the establishment of TLM as a sustainable partner to the MoHCDGEC in support of paediatric oncology services in Tanzania.

Target groups and Beneficiaries

All children with cancer in Tanzania are direct beneficiaries; indirect beneficiaries are their caregivers and families.

4. Principal Activities

The TLM Vision is to increase cancer survival rates to international standards, for children in Tanzania through improving the quality of life of patients and families through increased quality of clinical care and the increased likelihood of early cancer diagnosis.

TLM's 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 five-year strategic plan from 2016 to 2020. The five-year strategic plan was put forth on three major result areas formulated to guide TLM operations:

- Outcome 1: Increased quality of life of patients and their families;
- Outcome 2: Increased accessibility to and quality of clinical care; and
- Outcome 3: Increased likelihood of early diagnosis.

5. Composition of Board of Directors

The Board of TLM consists of 6 Directors. Apart from the Executive Director, no other director holds executive positions in the organization. The Board has the overall responsibility of the organization, including responsibility for identifying key risks, monitoring the project operations, deciding on significant financial matters, approving the performance of management, strategic plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles. The organization is committed to the principles of effective corporate governance and embrace integrity, transparency, and accountability as its core values. Tumaini La Maisha Tanzania is professionally managed, and its policies and operations are directed, controlled, and managed in conformity with Good Corporate Governance Principles.

The Board is required to meet at least four times a year. During the year in consideration the Board conducted 4 ordinary meeting.

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/DOB	Qualification
Mr. Gerald Mongella	Chairperson	Tanzanian	1970	ICT Expert
Philip Saliboko	Treasurer	Tanzanian	1972	BSc, MSc, and PhD in Marine Ecology
Dr. Julius Mwaisalage	Member	Tanzanian	1969	MD, PHD
Dr. Blandina Lugendo	Member	Tanzanian	1969	B.Sc. (Electronics), MBA
Nisha Sanghvi	Member	Tanzanian	1974	BFA in Graphic Design with minor in Art History

DIRECTORS REPORT (CONTINUED)

6. Management of the Programme

The Management team is headed by the Chief Executive Officer (CEO) who manages day to day activities of the programme. The CEO is assisted by the management team which is comprised of Director of Medical Services, Chief of Operations and CFO/Donor Manager.

Total number of paid staff 42 comprising of core programme staff, medical staff and supporting staff; 22 were contractual staff and 20 were MoU staff. The gender compositions were 16 males and 24 females.

Key Management Personnel of the Programme

The management of the Organization is under the Executive Director and is organized in the following sections:

- Clinical & Non-clinical Services Section
- Administration Section
- Donor and Finance Section

7. Donors

The implementation of the 2020 planned activities were mainly made possible through financial support from The Big Heart Foundation, Mo Dewji Foundation, Irish Aid, Wings of Support, Electric Aid, Direct Relief, Pan African Energy, University of Oxford, University of Birmingham, IMA World Health, Kenneally International Foundation, SONGAS, Export Trading Company, TLM Ireland, TLM UK, Slipway Hotel, Reader Rabbits, Shaban Robert, Kids College, HOPAC, Beckers/Cordes - Stiftung, FB Attorney, HLB Mekonsult, DHL and general community. The financial support from donors in conjunction with the commitment of TLM Board of Directors and staff made implementation of activities during the year successful.

The Board of Directors wishes to record their appreciation to all donors who supported TLM so generously throughout the year.

8. Directors' Emoluments

The organization did not pay Directors' fees during the year.

9. Strategic Plan

TLM identified five 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 5 years from 2016 -2020.

Objective 1: To improve access to and affordability of quality paediatric oncology clinical services for all through a national network of medical centres

Rationale Care for children with cancer is complex, due to the severity and high acuity of illness, intensity of care, and immediate and long-term consequences of treatment, due to this cancer services should be available at a proximity of where the patients reside.

Objective 2: To expand the psycho-social support of patients and their families.

Rationale To improve adherence to treatment and reducing lost to follow up; general parental support; family understanding of cancer and treatment plans is of vital importance; by expanding the psycho-social support we aim to minimize external stressors affecting the cancer patients and their families during treatment through providing psycho-social support to children and their families.

Objective 3: To support specialist training in all areas of paediatric oncology care.

Rationale In order to accommodate a growing number of children, it is essential to increase the training capacities and the general awareness and sub-specialist training for multi-disciplinary healthcare workers.

DIRECTORS REPORT (CONTINUED)

Objective 4: Audit, monitoring and evaluation of clinical, non-clinical and NGO activities.

Rationale This will include the creation of a reliable Paediatric Oncology database and conduct clinical research to further impact survival. In addition, evaluation, and accountability in providing high-quality care with limited health care resources.

Objective 5: To focus on fundraising and efforts to create financial security for the programme by expanding the TLM charity family to Ireland, the UK (and in time the US)

Rationale- This involves strengthening the fundraising activities based in Tanzania by creating a fundraising advisory committee and hold fundraising activities annually; and strengthening our financial base by partnering with 3 independent sister charities namely TLM Ireland, UK and USA with the primary focus on fundraising and advocacy.

10. TLM Performance and Achievement for the year 2020

Tumaini La Maisha Strategic programme, it is a 5-year strategic plan 2016 to 2020. 2020 is the fifth and final year of implementation of this strategic plan; this report will be covering the fifth implementation year.

Access to quality chemotherapy and supportive care medications is an area that in the year we worked to strengthen and maintain the quality of drugs issued and timely deliverance and administration of the drugs. All children on treatment for cancer in all our 11 partner sites continued receiving chemotherapy treatment free of charge in the year 2020. We continued to partner with our transportation partners, DHL who have provided free services in the delivering the medicine to the partner sites all over the Country, this has made possible for all children on treatment to continue receiving medication closer to home and not having to travel all the way to Muhimbili National Hospital for treatment.

At Muhimbili National Hospital (MNH) we strengthened capacity of the core team by employing additional 3 doctors based at MNH to provide support in the treatment of the children. As well as addition 6 nurses at the paediatric Oncology wards. We also strengthened partnership with our newest centre: Sokoine Hospital in Lindi, centres serving the Lindi region and nearby regions of Mtwara and Songea, by setting up the initial stages of partnership.

To improve adherence to cancer treatment and reduce incidences of loss to follow up, we provided intensive the psychosocial support to the children on treatment and caregivers at the centers, particularly at Muhimbili National Hospital. This had enabled improved patient and family experience and thereby improve adherence to care. These supports include palliative care support for child and family in dealing with terminal illness, school and play therapy sessions for children on treatment at the hospital, transport support to and from the hospital for patient and caregiver and IGA or skills program at the hospital for caregiver. We also supported 4 staff to attend a Palliative Care training for health and Social Welfare Professional short course at Muhimbili University of Health and Allied Sciences (MUHAS). This course is run in partnership with the Palliative Care Trainers and the Trainers and Research Network of Tanzania. The course was attended by 1 Paediatric Specialist, 1 Paediatric Registrar, 1 Assistant Nursing Officer and Parent & Family Liaison Officer. The course focused both on theory and practice of palliative care, pain management and psychosocial implications for care.

School and Play Therapy programs and outpatient family housing programs; – these were only implemented at one center which is Muhimbili National hospital, for the other centers this target was not reached due to financial constraints. Transport assistance was provided to all children who were treated at the hospital this included new patients and those continuing with treatment to enable them to come to the hospital, that they come on time for treatment and reduce children defaulting or lost to follow up.

DIRECTORS REPORT (CONTINUED)

The skills & school program continued this year with all caregivers and parents who were at the hospital during treatment of their child were taught various IGA skills. And for the skills learnt they were able to show case their products at the hostel, Artisan Market and Handmade from Tanzania.

Nutrition program was further improved as we hired a nutritional specialist after receiving grant from an international donor, this has greatly improved adherence to treatment by the child as well as improving their tolerance to chemotherapy and general improvement of their health well-being.

In the past years we have completed a number of training courses for doctors and nurses in Basic and Advanced Paediatric Life Support(BLS, APLS). Nurse In-Charges of Paediatric Oncology who had received training on BLS in the past now conducted their own lead Basic Life Support training to other nurses and health workers at the Paed Oncology ward. In addition, we have completed two weeks training for two Doctors, two Nurses and one pharmacist from Sokoine Hospital at Paediatric Oncology ward in Muhimbili National Hospital. In addition, two nurses from our paediatric oncology ward here at Muhimbili National went to train as clinical instructor to KCMC in which 20 nurses from KCMC were trained on basic paediatric oncology course, on early warning signs for childhood cancer and childhood cancer treatment. We conducted an outreach training to medical staff at Lindi region on early symptoms and signs that a child with malignancy would present with the help of the posters.

The year 2020 we partnered with the Ministry of health, Dar es salaam region –Regional Medical Officer, donors and advocates for children, childhood cancer survivors, Children from the paediatric children’s cancer wards at Muhimbili National hospital and parents; to participate in the event to celebrate the battles won by the Courageous Kids against Cancer. It was a public walk (marching) from Ocean Road Cancer Institute to Dar gymkhana ground for sports, educative shows, and meals.

In order to have a reliable, accurate and nationwide data source both to understand the impact of our efforts and identify areas of urgent Paediatric Oncology need, an EMRS specifically for paediatric oncology, has been designed. It is currently undergoing rigorous beta testing before planned roll out to all partner centres as they join.

For the period of almost 6 months from February to August 2020, following the outbreak of the COVID 19, the program ceased most of its outreach expansion activities while maintaining all existing clinical services in all partner institutions. In addition, the COVID 19 outbreak necessitated various precautionary measures to protect the children, their guardians, and staff at the Children’s Cancer Ward in Muhimbili National Hospital (MNH).

11. 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 is chaired by a Chairperson, who has no Directorship functions. The roles of the Chairperson and the CEO 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-Executive 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 CEO, 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 weekly basis to review operations, key financial indicators, and the overall operation strategies of the programme.

DIRECTORS REPORT (CONTINUED)

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 2020 and is of the opinion that they met acceptable criteria.

Ethical behaviour

The Programme's 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's 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.
- 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 five years 2016 - 2020 Strategic plan.
- The financial statements have been prepared on a going concern basis.

DIRECTORS REPORT (CONTINUED)**12. Going Concern**

The Directors are satisfied that 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.

13. Accounting Policies

The annual financial statements are prepared on the underlying assumption of a going concern. TLM accounting policies, which are laid out on pages 19 to 28 are subject to an annual review to ensure compliance with International Financial Reporting Standards.

14. 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 organisation has adequate resources to continue in operational existence for the foreseeable future.

15. Acquisition and Disposals

During the year ended 31 December 2020 TLM acquired office furniture, and office equipment. The total cost for these acquisitions amount to TZS 72,415,998. The detailed cost for each class of asset is presented in note 14 of the financial statements.

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 2020 TLM had staff distribution which shows male were 43% and female 57%.

Gender	2020	2019
Male	18	7
Female	24	23
Total	42	29

17. Political and Charitable Donations

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

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 National Social Security Fund (NSSF) and National Health Insurance Fund (NHIF) whereby the TLM contributed 10% and 3% of the basic salary of each employee accordingly.

Training

On job training programs were developed to ensure TLM and the working partners' employees were adequately trained at all levels. During the year, only one training was conducted for the nurses and doctors for palliative care. COVID significantly affected the training plan during the year. Only **TZS 3,300,000 was spent** for staff training in order to improve employees' technical skills, hence their effectiveness.

DIRECTORS REPORT (CONTINUED)

Persons with Disability

TLM's policy is 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. Auditors

HLB MEKONSULT were appointed to audit TLM financial statements for the year ended 31 December 2020 and have expressed their willingness to continue in office and are eligible for re-appointment.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

It is the responsibility of the Directors 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 Organization for the year. The directors are also responsible for keeping proper accounting records which disclose the reasonable accuracy at any time the financial position of the organisation. Directors are also responsible for safeguarding the assets of the organisation ensuring the Organization comply with all regulatory and legal requirements and for taking reasonable steps for prevention and detecting fraud, error and other irregularities.

The directors accept responsibility for the 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 (IFRS) and in accordance with the terms of funding agreements. 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 Organisation and its financial activities in accordance with International Financial Reporting Standards (IFRS). The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

The Board 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.

Nothing has come to the attention of the directors to indicate that the organisation will not remain a going concern for at least twelve months from the date of this statement.

By Order of the Board


Mr. Gerald Morigella
Board Chairperson

30/06/2021
Date


Mr. Philip Saliboko
Treasurer

30/06/2021
Date

DECLARATION OF THE HEAD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2020

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 Tumaini la Maisha and 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 applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Committee as under Committee's Responsibility statement on the earlier page.

I, Beard Mwale being the Financial Consultant of Tumaini La Maisha Tanzania here by acknowledges my responsibility of ensuring that financial statements for the year ended 31 December 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements present a true and fair view position of Tumaini la Maisha on that date and that they have been prepared based on properly maintained financial records.

Name: Beard Mwale
Signed: BWante
Position: Financial Consultant
NBAA Membership No: ACPA 3053
Date: 30/06/2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUMAINI LA MAISHA TANZANIA

Introduction

We have audited the financial statements of Tumaini La Maisha Tanzania (TLM), which comprise the Statement of Financial Position as at 31 December 2020, the Statement of Income and Expenditure, 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 20 to 29.

Opinion

In our opinion, the accompanying financial statements present a true and fair view of the financial position of Tumaini La Maisha (TLM) as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS's) and the Non-Government Organization Act 2002.

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 organization in accordance with the 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in Directors' Report and the Statement of declaration of Head of Finance but does not include the financial statements and our audit reports thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Directors' responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Board members are responsible for assessing the organization'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 Board members either intend to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

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 International Standards on Auditing (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 judgment 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 Board members.
- Conclude on the appropriateness of Board members' 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 organization'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.
- 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.

Report on Other Legal and Regulatory Requirements

Based on our audit we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion proper books of account have been kept by the Organization, so far as appears from our examination of the books of account; and
- iii) The organization's statement of financial position and statement of profit or loss and other are in agreement with the books of account.

Yours faithfully,



CPA Elinisaidie K. Msuri - ACPA 814



For and On Behalf of HLB MEKONSULT

Certified Public Accountants

Dar es Salaam

Date: 30/06/2021

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 TZS	2019 TZS
INCOME			
Restricted Funds	4	1,459,220,923	2,849,378,157
Unrestricted Funds	5	648,667,396	100,821,636
Donated Goods and Services	6	21,965,915	42,712,400
Other Income	7	13,593,016	10,266,241
		<u>2,143,447,250</u>	<u>3,003,178,434</u>
EXPENDITURE			
Clinical Care Program	8	1,276,025,305	810,902,502
Non-Clinical Care Program	9	355,605,790	286,915,334
Training and Twinning Program	10	3,300,000	107,621,103
Projects	11	243,187,398	1,576,521,282
Administration Expenses	12	206,164,743	221,218,213
COVID Related Expenses	13	59,164,014	-
		<u>2,143,447,250</u>	<u>3,003,178,434</u>
Surplus/Deficit		<u>-</u>	<u>-</u>

The notes on page 20 to 29 form an integral part of these financial statements.

Report of the Auditors - page 14 and 16.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020


STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	2020 TZS	2019 TZS
Assets			
Non-current Assets			
Property and Equipment	14	299,548,313	276,342,914
Intangible Assets	15	1,522,371	
		301,070,684	
Current Assets			
Inventory	16	481,493,160	174,368,780
Receivables	17	115,906,900	535,255,151
Cash and cash equivalents	18	165,036,166	253,670,932
		762,436,226	963,294,863
Total Assets		1,063,506,910	1,239,637,777
Liabilities and Reserve			
Liabilities			
Payables and accruals	19	351,039,239	158,044,395
Deferred Grant	20	671,532,787	1,081,593,382
Deferred Asset	21	40,934,884	-
Total Liabilities		1,063,506,910	1,239,637,777
NET ASSETS		-	-
Financed by:			
Fund Balance at the year end		-	-
Fund Balance		-	-

The notes on page 20 to 29 form an integral part of these financial statements.

The financial statements on pages 17 to 29 were approved by the Board of Directors and were signed on its behalf by:


 Gerald Mongella
 Board Chairperson
 Date: 30/06/2021


 Mr. Philip Saliboko
 Treasurer
 Date: 30/06/2021

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TUMAINI LA MAISHA TANZANIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	TZS	TZS
CASH FLOWS FROM OPERATING ACTIVITIES:		
Deficit/Surplus	-	-
Adjustments for: -		
Depreciation and amortization	47,688,228	41,445,810
Amortization of Deferred Asset	(1,065,115)	
Operating cash flows before working capital changes	46,623,113	41,445,810
Change Inventory	(307,124,380)	(18,154,315)
Change Receivable	419,348,251	1,660,938,553
Change in creditors and accruals	192,994,844	(744,061,937)
Change in Deferred Grant	(410,060,595)	(1,957,671,698)
Cash (used in)/from operations	(58,218,767)	(1,017,503,587)
Tax paid	-	-
Net Cash (used in)/from operating activities	(58,218,767)	(1,017,503,587)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixture, furniture and fittings	(30,415,998)	(37,859,833)
Net cash used in investing activities	(30,415,998)	(37,859,833)
Net change in cash and cash equivalents	(88,634,765)	(1,055,363,419)
Cash and cash equivalents at start of year	253,670,932	1,309,034,351
Cash and cash equivalents at end of year	165,036,166	253,670,932

The notes on page 20 to 29 form an integral part of these financial statements.

Report of the Auditors - page 14 and 16.

NOTES TO THE FINANCIAL STATEMENTS

1. Company 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 Muhimbili National Hospital in Dar es Salaam is the only one of its kind in the country. The Programme, currently treats more than 700 children annually in its two wards at Muhimbili National Hospital and 7 partner centers across the country, but with an estimated population of over 60 million people, Tanzania would expect to see up to 4,500 new cases of childhood cancer each year.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) 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.

b) General reserves

General reserves represent unrestricted funds that are available for use at the discretion of the directors in furtherance of the objects of the Company. No reserve was available during the year under review.

c) Foreign currency translation

i. Functional and presentation currency

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

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at yearend exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income and expenditure.

d) Income recognition

All funds received from Development Partners are recognised upon approval and signing of the contractual commitment by donors. Grants received in respect of revenue expenditure are credited to income and expenditure statement in the same period in which the related revenue expenditure is charged, the balance of unspent grant is carried forward as deferred grant for implementation of the pending project activities in the subsequent period. Income are mainly categorized into three:

1. Restricted Grants – Grants received and restricted to particular project.
2. Unrestricted Grants – Grants received and can be used for various purposes.
3. Donated Goods and Service – These are non-monetary items and services received during the year.
4. Other Income – These includes all other types of income not covered under the three categories above such as interest income, gain or loss in forex.

Investment Income – Investments "if any" with fixed maturity, where management has both the intent and the ability to hold to maturity are classified as held to maturity and are carried at amortized costs using the effective yield method, less any provision for impairment.

FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2020****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Significant Accounting Policies (Continued)****e) Property, Plant and equipment and depreciation**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged on a straight-line basis to write off the cost of the assets over their expected useful economic lives. The annual rates of depreciation adopted, which have been consistently applied, are as indicated below: -

Detail	Depreciation rate
Computer and Equipment	33.3%
Motor Vehicles	25%
Furniture and fittings	12.5%
Intangible Asset	33.3%

f) Computer software development Costs

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. However, expenditure that enhances or extends the benefits of computer software programme beyond their original specifications and lives is recognized as capital improvement and added to the original cost of the software. Computer software recognized as assets is amortized using the straight-line method over a period of 3 years.

g) Financial assets***(i) Classification***

All financial assets of the Organization are in the category of receivables.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current assets except for maturities greater than 12 months, otherwise they are classified as non-current. The Organization's receivables comprise staff debtors and grant receivable in the statement of financial position.

ii) Recognition and measurement

Receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

h) Impairment of assets

The carrying amounts of the Organizations' assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the applicable assets' recoverable amount is estimated, and impairment loss is recognized in the income and expenditure statement.

i) Other receivables

Other receivables consist of funds deposited to vendors and employees in the normal course of the business. Advances and prepaid expenses are recognized upon payment and derecognized when service has been rendered.

j) Grants receivable

Grants receivable comprise contractual commitments from donors and development partners. Grant receivables are initially recognized at contracted value and subsequently measured at amortized cost based on actual amounts receivable from donors less provision for impairment.

The un-received fund and unspent grant which are part of the contract is treated grants receivable and deferred grant carried forward to the next period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Significant Accounting Policies (Continued)

k) Cash and Cash Equivalents

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

l) Deferred capital grants / Asset

Donations received to acquire property and equipment are capitalized and credited to deferred capital grant account. Deferred capital grant account is amortized in the statement of income and expenditure over the estimated useful lives of the assets concerned.

m) Deferred income grants

Deferred income grant represents funds received but not spent during the year of which there is an obligation to conduct donor funded activities per contractual commitments made between donors/development partners and the Organization.

Also, it includes grants amount recorded on the statement of financial position to represents the total amount of grants per funding agreements less the amount received.

n) Employee Benefits

Retirement Benefit Costs

As required by the Tanzanian laws and regulations, TLM contributes to NSSF statutory pension schemes 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.

o) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are presented as current liabilities unless payment is not due within twelve months after year end. If not, they are presented as non-current liabilities.

p) Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash flows (cash-generating units).

q) 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.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Significant Accounting Policies (Continued)

r) 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.

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

s) Inventories

Inventories are stated at the lower of cost and net realizable value.

t) Donated Assets / Goods / Services

Donated assets, goods or services are recorded at the invoice value advised by donors or at estimated market value if invoice is not advised by the donors.

3. Critical Accounting Estimates and Judgements

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

Impairment of grant receivable

The Organization reviews its grant receivable balances to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the statement of income and expenditure, the Organization makes judgements using estimates based on historical loss experience for its donors/development partners. It is on this basis that management have determined the risk of recoverability based on days outstanding.

4. Restricted Funds

	2020	2019
	TZS	TZS
Non-profit Organization Grants	1,248,900,602	2,781,782,762
Corporate / Business Grants	140,231,574	22,284,745
Individual	8,087,997	5,645,000
Income Generating Activity	-	3,100,000
Special Event	62,000,750	36,565,650
	<u>1,459,220,923</u>	<u>2,849,378,157</u>

5. Unrestricted Funds

Non-profit Organization Grants	488,916,699	55,393,700
Corporate / Business Grants	72,412,478	3,029,568
Individual	87,338,219	42,398,368
	<u>648,667,396</u>	<u>100,821,636</u>

TUMAINI LA MAISHA TANZANIA**FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2020****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6. Donated Goods and Services**

	2020	2019
	TZS	TZS
Donated Professional Services	11,530,000	11,440,000
Donated Goods	10,435,915	31,272,400
	<u>21,965,915</u>	<u>42,712,400</u>

7. Other Income

Gain / Loss in Forex	277,937	2,767,412
Interest-Savings, Short-term Fixed Deposit	13,315,079	7,498,829
	<u>13,593,016</u>	<u>10,266,241</u>

8. Clinical Program Cost

Drugs and Supplies	458,604,264	490,627,213
Personnel Costs	773,690,291	320,275,289
Outreach Projects	43,730,750	-
	<u>1,276,025,305</u>	<u>810,902,502</u>

9. Non-Clinical Program Cost**Play Therapy**

Play - therapy equipment	2,394,000	3,048,800
Personnel Costs	45,655,856	49,871,804
Sub total	<u>48,049,856</u>	<u>52,920,604</u>

School Programs

School Stationaries / Books / Skills items	7,090,000	8,391,900
School Snacks	5,868,000	5,006,800
Personnel Costs	38,974,036	38,974,972
Sub total	<u>51,932,036</u>	<u>52,373,672</u>

Nutrition Programme

Spices / Antioxidants	13,520,000	11,660,000
Fruits & Vegetables	26,494,200	24,073,600
Nuts & beans	4,271,000	6,088,000
Personnel Costs	38,501,239	28,184,768
Sub total	<u>82,786,439</u>	<u>70,006,368</u>

Transport Program

Meals / Transport for patients	16,005,900	15,676,600
Local Travel & Meeting expenses	2,829,000	2,599,500
Fuel / Maintenance / Parking	13,158,400	5,889,000
Tax / Insurance	601,800	1,139,400
Personnel Costs	8,838,199	9,016,193
Sub total	<u>41,433,299</u>	<u>34,320,693</u>

TUMAINI LA MAISHA TANZANIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Office and Housing

Cartridges	1,000,000	3,872,000
Broadband internet	2,260,000	1,938,500
Stationary / Printing	5,106,400	6,277,550
Office repairs / Maintenance	41,205,284	18,938,350
Mobile Phone cost	4,568,000	3,650,000
Visiting experts local travel	-	887,500
Kitchen running cost	371,000	626,000
House maintenance	1,042,000	2,282,500
Personnel	25,249,994	18,196,682
TLM Events	701,182	7,366,460
Hostel Items	22,650,000	10,341,450
Legal Fees	30,000	389,250
Fire extinguisher services	320,000	200,000
Piggy Bank Expenses	10,785,900	1,396,255
Fines, Penalties, Judgments	2,475,000	-
Housing cost	7,298,400	-
Gas	2,443,000	-
Health insurance	2,000,000	-
Staff Condolences	1,000,000	-
Postage, Mailing Service	118,000	-
Office Refreshment	241,000	-
Registration Fees	539,000	-
Sub total	131,404,160	76,762,497

Grand total

355,605,790

286,915,334

10. Training and Twinning Programs

	2020	2019
	TZS	TZS
Training	3,300,000	101,584,544
Housing Cost	-	6,036,559
	3,300,000	107,621,103

11. Projects

Patient Database Management	-	29,715,888
Water Project	111,646,316	29,761,712
Cold Room Construction	12,096,180	28,224,420
Intensive Care Units Project	119,444,902	1,488,819,262
	243,187,398	1,576,521,282

12. Administration Expenses

Personnel Costs	138,901,470	157,059,817
Membership Dues	100,000	-
Depreciation	47,688,228	42,045,810
Withholding Tax on Interest	576,751	2,056,936
Bank Charges	7,368,294	8,615,650
Audit fees	11,530,000	11,440,000
	206,164,743	221,218,213

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. COVID Related Expenses

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. While initially the outbreak was largely concentrated in China, it has now spread in several other countries, including Tanzania and infections reported globally. Many countries in the world including Tanzania have instituted measure to control the spreading of the virus including temporary closure of various community activities which in turn has affected various sectors.

The World Health Organization on January 30, 2020 declared the outbreak to constitute a "Public Health Emergency of International Concern" and March 11, 2020 a global pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries.

The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our vendors and clients all of which are uncertain and cannot be predicted. In particular, for the year 2020, the following direct effect of COVID 19 can be outlined:

1. Postponement of various planned project activities.
2. Re-allocation of budgets towards bulk purchase of chemo drugs, antibiotics, support drugs and medical consumables foreseeing the limited supply and prices increase
3. Re-allocation of budgets towards the purchase of Personal Protective Equipment (PPE) for staff
4. Re-allocation of budgets towards provision of meals and transport for all the staff team to minimize viral exposure on overcrowded public transport systems
5. Employ additional staff to support the existing team, these includes the cleaners, lab staff, and doctors to support the two wards separately.
6. Re-allocation of budgets towards undertaking various constructions at the ward to create a protective infrastructure for patients and staff.

14. Plant and Equipment

	Computer Equipment TZS	Furniture, Fixture and Fitting TZS	Motor Vehicle TZS	Total TZS
Cost				
At start of year	30,147,398	320,109,679		350,257,077
Additions	300,000	20,032,500	8,163,498	28,495,998
Donated Asset			42,000,000	42,000,000
At end of year	30,447,398	340,142,179	50,163,498	420,753,075
Depreciation				
At start of year	8,242,651	65,671,511		73,914,163
Charge for the year	10,015,094	36,210,390	1,065,115	47,290,599
At end of year	18,257,745	101,881,901	1,065,115	121,204,762
Net book value				
At 31 December 2020	12,189,653	238,260,278	49,098,383	299,548,313
At 31 December 2019	21,904,746	254,438,168	-	276,342,914

TUMAINI LA MAISHA TANZANIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Intangible Assets

	Computer Software TZS	Total TZS
Cost		
At start of year		
Additions	1,920,000	1,920,000
At end of year	<u>1,920,000</u>	<u>1,920,000</u>
Depreciation		
At start of year		
Charge for the year	397,629	397,629
At end of year	<u>397,629</u>	<u>397,629</u>
Net book value		
At 31 December 2020	<u>1,522,371</u>	<u>1,522,371</u>
At 31 December 2019	<u>-</u>	<u>-</u>

16. Inventory

	2020 TZS	2019 TZS
Drugs	472,122,360	151,718,780
Supplies	9,370,800	22,650,000
	<u>481,493,160</u>	<u>174,368,780</u>

17. Receivables

Grant Receivable	115,300,000	521,326,328
Imprest Receivable - Transport	506,900	203,800
Project Advances	-	13,725,023
Staff Loan	100,000	
	<u>115,906,900</u>	<u>535,255,151</u>

The carrying amounts of accounts receivable are denominated in the following currencies

United States dollars	115,300,000	521,326,328
Tanzanian Shillings	606,900	13,928,823
	<u>115,906,900</u>	<u>535,255,151</u>

TUMAINI LA MAISHA TANZANIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Cash and Cash Equivalents

FNB Bank – TZS Account	53,918,504	18,516,483
FNB Bank – EURO Account	16,441,364	168,695,731
FNB Bank – USD Account	37,216,632	62,897,784
NMB-TZS	48,287,842	-
NMB USD	5,556,203	-
NMB EURO	1,013,863	-
Petty Cash	845,000	76,500
Mobile Money	1,561,758	1,256,368
Un-deposited Funds	195,000	2,228,066
	165,036,166	253,670,932

19. Payables and Accruals

Supplier for Drugs	319,170,100	74,855,375
Supplier for Equipment	31,869,139	37,203,975
Other Payables	-	11,781,085
Payroll Payables	-	34,203,960
	351,039,239	158,044,395

20. Deferred Income Grant

At start of year	1,081,593,382	3,039,267,097
Received not spent	317,222,868	243,044,185
Deferred Grant receivable	115,300,000	
Less: Recognised During the Year	(842,583,463)	(2,200,717,900)
At end of year	671,532,787	1,081,593,382

Deferred Grants / Commitments

TLM's general contractual approach is to account and pay after delivery of work and scrutiny of reports. In 2020 a number of payments were not made due to partial delivery or inadequate provision of evidence/reporting. Operating costs do not include contractual commitments made but not paid out because the delivery of work and scrutiny of reports was outstanding as at year end. The total outstanding value of signed direct program contracts not yet paid on 31 December 2020 was TZS 317,222,868 (2019: TZS 828,847,427).

At 31 December 2020, TLM had commitment as listed in the table below:

Commitments as at 31 Dec 2020	Purpose	Received (TZS)	Balance (TZS)
The Big Heart Foundation	Construction & Equipping of PICU & NICU	529,901,936	202,168,207
Becker Codes	Transport Program Support	29,658,720	7,110,840
Pan Africa Energy	Outreach project to Lindi Region	73,269,836	38,218,836
Embassy of Ireland	Construction of UVCN95 sterilization room	25,220,000	25,220,000
Irish Aid	Chemo Drugs and Core Staff Support	277,420,000	44,504,985
			317,222,868

TUMAINI LA MAISHA TANZANIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Deferred Grant Asset

Donated Motor Vehicle	42,000,000	-
Depreciation	(1,065,115)	-
	<u>40,934,885</u>	<u>-</u>

Deferred grant asset relates to a motor vehicle (Toyota Land cruiser – Prado) donated to TLM in November 2020. The vehicle was re-valued at TZS 42,000,000.

22. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party by participating in its financial or operational policy decisions.

Remuneration paid to key management personnel who were on contractual terms is as set out below:

Senior Management Staff Salaries and Benefits	<u>131,652,036</u>	<u>136,427,417</u>
	<u>131,652,036</u>	<u>136,427,417</u>

23. Contingent Liability and Commitments

Contingencies

There were no contingent liabilities as at 31 December 2020.

24. Comparatives and Prior Year Adjustment

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