

**TUMAINI LA MAISHA TANZANIA  
DIRECTORS' REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**TUMAINI LA MAISHA TANZANIA  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**LIST OF ABBREVIATION**

AGM	Annual General Meeting
BSc	Bachelor of Science
CiC	Children in Crossfire
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
KCMC	Kilimanjaro Christian Medical Centre
MNH	Muhimbili National Hospital
MoHCDGEC	Ministry of Health, Community Development, Gender, Elderly and Children
MSc	Master of Science
N/A	Not Applicable
NGO	Non-Government Organization
NHIF	National Health Insurance Fund
PhD	Doctor of Philosophy
PPF	Parastatal Pension Fund
TLM	Tumaini La Maisha Tanzania
UK	United Kingdom
US	United States

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**PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE**

Tumaini La Maisha Tanzania  
Muhimbili National Hospital,  
Kalenga Street / Upanga West,  
P.O. Box 65035,  
Dar es Salaam,  
Tanzania.

**BANKERS**

Stanbic Bank (T) Ltd  
Center Branch  
P. O. Box 72647,  
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

**TUMAINI LA MAISHA TANZANIA  
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**Directors Report**

**1. Introduction**

The Directors hereby submit their annual report together with the audited financial statements for the year ended 31 December 2016, 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 MNH in Dar es Salaam is the only one of its kind in the country. The Programme, currently treats around 600 children annually in its two wards, but with an estimated population of 53 million people, Tanzania would expect to see up to 2,300 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 organizations 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 hands 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 MoHCDGEC.

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.

**3. Mission, Vision and Objectives**

**Mission**

Working within the National health frame work in Tanzania, 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.

**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.

**Goal / Broad Objectives**

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.

**4. Principal Activities**

TLM Vision is to increase the cancer survival rates 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 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:

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

**5. Directors**

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

- i. 4 Ordinary Board Meetings
- ii. 2 Extra ordinary Meetings

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

Name	Position	Nationality	Age/ DOB	Qualification
Dr. Blandina Lugendo	Chairperson	Tanzanian	1970	BSc, MSc and PhD in Marine Ecology
Mr. Gerald Mongella	Treasurer	Tanzanian	1969	ICT Expert
Dr. Trish Scanlan	Member	Irish	1973	MB BCh BAO MRCP (PAEDS)
Ms. Dixita Dewji	Member	Tanzanian	1976	Bachelors in Business administration with a specialization in marketing

**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 Finance and Administration Manager and Director of Medical Services. Total number of staff was 19 comprising of programme staff and supporting staff, and the gender composition were 3 males and 16 females.

**7. Key Management Personnel of the Programme**

The management team that served the Programme during the year ended 31 December 2016 were:-

Name	Position
Dr. Patricia Scanlan	Chief Executive Officer
Dr. Jane Kaijage	Director of Medical Services
Ms. Lilian Ndyetabula	Finance & Administration Manager

**8. Directors' Emoluments**

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

**9. Strategic Plan**

TLM identified three 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 four years from 2013 -2016.

**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 needs to play a vital role to ensure the psychosocial wellbeing of the child is addressed as well as the medical need of the patient.

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**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 not 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.

	<b>2016</b>	<b>2015</b>
Operating (Deficit)/Surplus	(42,183,171)	161,464,317
<b>(Deficit) /Surplus for the year</b>	<b>(42,183,171)</b>	<b>161,464,317</b>

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**11. TLM Performance**

Tumaini La Maisha Strategic programme for phase two commenced this year, it's a 5-year strategic plan 2016 to 2020, and it is a five year programme and in this report, will be covering the first implementation year.

Our plans for commencing the first year of the 5-year strategic plan was to continue providing clinical support, expand the psycho-social support of patients and their families by providing nutrition and counselling programmes, transportation and on-site housing services for the children and their family members. A total number of 137 patients and 137 care givers were transported to and from the hospital especially those who had financial difficulties, the children were supplied with nutritional supplement food stuff and all the children of school going age were able to attend age appropriate classes supported by the project.

Lastly training to nurses and healthcare workers was conducted onsite from visiting doctors and nurses from Ireland, also integrated specialized training in pediatric oncology for medical doctors were done at the unit carried out by specialized doctors and professors from UK, Ireland and US organized by the project.

We have started to roll out the programme for paediatric oncology expansion three other peripheral centers, such as the KCMC hospital, Bugando and Sengerema. Now they can treat some cases of childhood cancer increased public awareness of common childhood cancers with more robust standards for early detection and referral.

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

The Board is chaired by a 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 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

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operational control systems are developed and maintained on an ongoing 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 non-compliance 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 2016 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
- 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.

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**13. 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.

**14. 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 14 to 17 are subject to an annual review to ensure compliance with International Financial Reporting Standards.

**15. Solvency**

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

**16. Acquisition and Disposals**

During the year ended 31 December 2016 TLM acquired office furniture, and Office equipment. The total cost for these acquisitions amount to TZS 18,025,000 The detailed cost for each class of asset is presented in note 7 of the financial statements.

**17. 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 2016 the TLM had staff distribution which shows male were 16% and female 84%.

Gender	2016	2015
Male	3	2
Female	16	14
<b>Total</b>	<b>19</b>	<b>16</b>

**18. Political and Charitable Donations**

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

**19. Employee Welfare**

**Management/employee relationship**

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

**Benefits**

Employees received pay for annual leave which is distributed evenly during the 12 months. Another benefit which is statutory in nature is that employees are members of Parastatal Pension Fund (PPF) and National Health Insurance Fund (NHIF) whereby the TLM contributed 3% of the basic salary of each employee.

**Training**

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

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**Persons with Disability**

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

**20. Environmental Matters**

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

**21. Auditors**

HLB MEKONSULT were appointed to audit TLM financial statements for the year ended 31 December 2016 and have expressed their willingness to continue in office and are eligible for re-appointment.

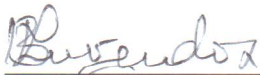
**22. Responsibilities of the Board**

It is the responsibility of the Board 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 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 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 Board 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 2 and in accordance with the terms of funding agreements. The Board 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.

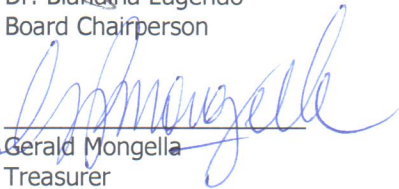
The Board is also responsible in ensuring that the terms of section 29 of Non-Government Organizations Acts 24 of 2002 and NGO regulations of 2004 are adhered to.

BY ORDER OF THE BOARD



Dr. Blandina Lugendo  
Board Chairperson

18<sup>th</sup> Sept 2017  
Date



Gerald Mongella  
Treasurer

12<sup>th</sup> Sept '17  
Date

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**DECLARATION OF THE HEAD OF FINANCE OF TUMAINI LA MAISHA**

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, SISTUS EMANUEL being the Financial Consultant of Tumaini La Maisha here by acknowledges my responsibility of ensuring that financial statements for the year ended 31 December 2016 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: SISTUS EMANUEL

Signed: *[Signature]*

Position: Financial Consultant

NBAA Membership No: ACPA 3052

Date: 12/9/2017

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TUMAINI LA MAISHA (TLM)**

### **Introduction**

We have audited the financial statements of Tumaini la Maisha, which comprise the Statement of Financial Position as at 31 December 2016, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Net assets 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 16 to 20.

### **Opinion**

In our opinion, the accompanying financial statements present a true and fair view of the financial position of the Tumaini La Maisha as at 31 December 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Tanzania NGO's 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.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in Directors' statements and the Head of Finance declaration, 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.

### **Management's responsibility for the Financial Statements**

The management is 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is 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 management 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 scepticism 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 management.
- Conclude on the appropriateness of management's 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.

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

#### Report on Other Legal and Regulatory Requirements

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 company, so far as appears from our examination of those books; and
- iii) the organization's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

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**Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2016**

	Notes	2016 TZS	2015 TZS
<b>INCOME</b>			
Grants Income	4	742,487,426	575,066,683
		<b>742,487,426</b>	<b>575,066,683</b>
<b>EXPENSES</b>			
Staff Costs	5	294,306,313	156,110,308
Operating expenses	6	490,364,284	257,492,058
		<b>784,670,597</b>	<b>413,602,366</b>
<b>(Deficit)/Surplus</b>		<b>(42,183,171)</b>	<b>161,464,317</b>

The notes on page 16 to 20 form an integral part of these financial statements.

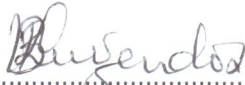
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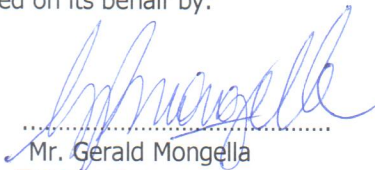
**Statement of Financial Position as at 31 December 2016**

	Notes	2016 TZS	2015 TZS
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property and Equipment	7	22,195,141	17,352,780
Intangible Asset	8	1,753,480	3,506,960
		<b>23,948,621</b>	<b>20,859,740</b>
<b>Current Assets</b>			
Receivables		-	292,200
Cash and cash equivalents	9	149,761,494	196,764,018
		<b>149,761,494</b>	<b>197,056,218</b>
<b>Total Assets</b>		<b>173,710,115</b>	<b>217,915,958</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and accruals	10	-	2,022,673
		-	<b>2,022,673</b>
<b>NET ASSETS</b>		<b>173,710,115</b>	<b>215,893,285</b>
<b>EQUITY</b>			
Accumulated Fund		173,710,115	215,893,285
<b>Total Equity</b>		<b>173,710,115</b>	<b>215,893,285</b>

The notes on page 16 to 20 form an integral part of these financial statements. The financial statements on pages 12 to 20 were approved by the Board of Directors and were signed on its behalf by:

  
 .....  
 Dr. Blandina Lugendo  
**Board Chairperson**

18<sup>th</sup> Sept ..... 2017

  
 .....  
 Mr. Gerald Mongella  
**Treasurer**

12<sup>th</sup> Sept ..... 2017

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**Statement of Changes in Net Assets**

	<b>Accumulated Fund TZS</b>	<b>Total TZS</b>
<b>Year ended 31 December 2016</b>		
At start of year	215,893,286	215,893,286
Deficit	(42,183,171)	(42,183,171)
At end of year	<u><b>173,710,115</b></u>	<u><b>173,710,115</b></u>
<b>Year ended 31 December 2015</b>		
At start of year	54,428,969	54,428,969
Surplus	161,464,317	161,464,317
At end of year	<u><b>215,893,286</b></u>	<u><b>215,893,286</b></u>

The notes on page 16 to 20 form an integral part of these financial statements.

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**Statement of Cash Flows for the year ended 31 December 2016**

	<b>2016</b>	<b>2015</b>
	<b>TZS</b>	<b>TZS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Deficit/Surplus	(42,183,171)	161,464,317
<b>Adjustments for:-</b>	-	-
Depreciation and amortization	14,936,120	10,429,870
<b>Operating cash flows before working capital changes</b>	<b>(27,247,051)</b>	<b>171,894,187</b>
Decrease/(increase) Receivable	292,200	(292,200)
(Decrease) in creditors and accruals	(2,022,673)	(3,669,201)
<b>Cash (used in)/from operations</b>	<b>(1,730,473)</b>	<b>(3,961,401)</b>
Tax paid	-	-
<b>Net Cash (used in)/from operating activities</b>	<b>(28,977,524)</b>	<b>167,932,786</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of fixture, furniture and fittings	(18,025,000)	(9,014,610)
<b>Net cash used in investing activities</b>	<b>(18,025,000)</b>	<b>(9,014,610)</b>
Net change in cash and cash equivalents	(47,002,524)	158,918,176
Cash and cash equivalents at start of year	196,764,018	37,845,842
<b>Cash and cash equivalents at end of year</b>	<b>149,761,494</b>	<b>196,764,018</b>

The notes on page 16 to 20 form an integral part of these financial statements.

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**TUMAINI LA MAISHA**  
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**Notes to the Financial Statements**

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**1. GENERAL INFORMATION**

Tumaini la Maisha is a local NGO dedicated to support 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 953 children annually in its two wards. But with an estimated population of 53.47 million people, Tanzania would expect to see up to 2,300 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 accrual basis of accounting.

**2.2. Basis of Measurements**

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Basis of accounting**

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

**3.2 Income and Expenditure Recognition**

**i. Income recognition**

All funds received from Development Partners are recognised when received.

**ii. Expenditure recognition**

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

**iii. Capital Expenditure**

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

**iv. Depreciation**

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

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

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**Notes to the Financial Statements for the year ended 31 December 31 December 2016**  
**(Continued)**

**v. Retirement Benefit Costs**

As required by the Tanzanian laws and regulations, TLM contributes to various (PPF and PSPF) 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.

**vi. Taxation**

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.

**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

**viii. Contingent Liabilities**

There were no contingent liabilities as at 31 December 2016.

**4. GRANTS INCOME**

	<b>2016</b>	<b>2015</b>
	<b>TZS</b>	<b>TZS</b>
Nonprofit Organization Grants	-	11,005,000
Corporate / Business Grants	703,761,935	560,660,305
Donated Goods	22,166,138	-
Donated other services	12,501,800	-
Other Income	4,057,553	3,401,378
	<b><u>742,487,426</u></b>	<b><u>575,066,683</u></b>

**5. STAFF COST**

Basic Salary	218,775,093	45,177,156
Wages	43,329,227	92,960,867
PPF Employer's Contribution	15,195,270	13,792,771
Skills Development Levy	11,114,332	4,179,514
WCF Employer's Contribution	2,178,895	-
NHIF Employer contribution	3,713,496	-
	<b><u>294,306,313</u></b>	<b><u>156,110,308</u></b>

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**Notes to the Financial Statements for the year ended 31 December 2016 (Continued)**

**6. OPERATING EXPENSES**

	<b>2016</b>	<b>2015</b>
	<b>TZS</b>	<b>TZS</b>
School Running Costs	5,615,200	-
Medicine purchases	291,666,732	-
Other Expenses	3,928,288	72,724,934
Staff Development	2,010,600	4,740,000
Outside computer Services	-	400,000
Membership dues	947,557	597,606
Insurance	394,602	275,000
Travel & Meeting Expenses	576,700	-
Hotel and Accommodation	6,209,990	10,695,800
Conferences ,Conventions, meeting	24,676,032	2,654,800
Travel	33,382,637	507,780
Repair & Maintenance	11,379,400	-
Office Items	802,000	175,000
Depreciation	14,936,120	10,429,870
Facility & Equipment Expenses	-	1,112,000
Car Fuel, maintenance, parking	8,988,300	4,136,246
Utilities	4,047,000	453,000
Parking & Other Occupancy	3,965,900	815,000
Printing & Copying	3,877,730	2,123,000
Mailing	35,400	71,800
Telephone & Internet	2,652,000	5,903,000
Supplies	46,628,973	129,570,356
In house publication	-	330,000
Chemo room renovation	-	2,006,000
Paedriatic Onc Programme Management	-	91,766
Bus Fare for Patient	9,170,300	6,304,300
Safari Diet	1,725,000	1,293,000
Bank Charges	1,552,823	-
Postage & shipping	-	81,800
Audit Expenses	11,195,000	-
	<b>490,364,284</b>	<b>257,492,058</b>

## 7. PLANT AND EQUIPMENT

	Computer Equipment TZS	Motor Vehicle TZS	Furniture, Fixture and Fitting TZS	Total TZS
<b>Cost</b>				
At start of year	3,754,171	29,700,000	-	33,454,171
Additions	-	-	18,025,000	18,025,000
<b>At end of year</b>	<b>3,754,170</b>	<b>29,700,000</b>	<b>18,025,000</b>	<b>51,479,171</b>
<b>Depreciation</b>				
At start of year	1,251,390	14,850,000	-	16,101,390
Charge for the year	1,251,390	7,425,000	4,506,250	13,182,640
<b>At end of year</b>	<b>2,502,780</b>	<b>22,275,000</b>	<b>4,506,250</b>	<b>29,284,030</b>
<b>Net book value</b>				
<b>At 31 December 2016</b>	<b>1,251,390</b>	<b>7,425,000</b>	<b>13,518,750</b>	<b>22,195,141</b>
<b>At 31 December 2015</b>	<b>2,502,780</b>	<b>14,850,000</b>	<b>-</b>	<b>17,352,780</b>

## 8. INTANGIBLE ASSETS-Quick-book Accounting System

	Amount TZS	Total TZS
<b>Cost</b>		
At start of year	5,260,440	5,260,440
Additions	-	-
<b>At end of year</b>	<b><u>5,260,440</u></b>	<b><u>5,260,440</u></b>
<b>Depreciation</b>		
At start of year	1,753,480	1,753,480
Charge for the year	1,753,480	1,753,480
<b>At end of year</b>	<b><u>3,506,960</u></b>	<b><u>3,506,960</u></b>
<b>Net book value</b>		
<b>At 31 December 2016</b>	<b><u>1,753,480</u></b>	<b><u>1,753,480</u></b>
<b>At 31 December 2015</b>	<b><u>3,506,960</u></b>	<b><u>3,506,960</u></b>

## 9. CASH AND CASH EQUIVALENTS

Stanbic bank	149,308,751	196,065,894
Petty Cash	452,743	698,124
	<b><u>149,761,494</u></b>	<b><u>196,764,018</u></b>

## 10. PAYABLES AND ACCRUALS

Burhani Pharmacy	-	2,022,673
	<b><u>-</u></b>	<b><u>2,022,673</u></b>

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**Notes to the Financial Statements for the year ended 31 December 2016 (Continued)**

**11. COMPARATIVES**

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

**12. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES**

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

- Liquidity risk
- Currency risk

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

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

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

**13. LIQUIDITY RISK**

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

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

**14. 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.