

THE FOUNDATION FOR CIVIL SOCIETY LIMITED

(A company limited by guarantee)

FINANCIAL STATEMENTS

31 DECEMBER 2008

FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee)

FINANCIAL STATEMENTS
31 DECEMBER 2008

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THE FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee)

COMPANY INFORMATION
31 DECEMBER 2008

**PRINCIPAL PLACE OF BUSINESS AND
REGISTERED OFFICE**

Haidery Plaza Building, 5th Floor
Upanga /Kisutu Street
P.O. Box 7192
Dar es Salaam

BANKERS

CRDB Bank Tanzania Limited
Tower Branch
Dar es Salaam
Tanzania

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

LAWYERS

Adili Attorneys (Advocates)
P. O. Box 75839
Dar es Salaam
Tanzania

AUDITORS

Deloitte & Touche
P.O. Box 1559
Dar-es-Salaam
Tanzania

THE FOUNDATION FOR CIVIL SOCIETY LIMITED

(A company limited by guarantee)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008

The directors are pleased to submit their report together with the audited financial statements for the year ended 31 December 2008

1. INCORPORATION

The Foundation for Civil Society Limited was incorporated on 24 September 2002 under the Companies Ordinance CAP 212 as a company limited by guarantee.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is to contribute to poverty alleviation through:

- Fund raising and the provision of grants to civil society organizations engaged in the relief of poverty and distress.
- The provision of education and skills training, including advocacy and lobbying, to civil society organizations and other members of the public engaged in the relief of poverty and distress.
- The advancement of the education of civil society organizations and the public by conducting or promoting research into the causes of poverty and dissemination the results of such research.
- Developing public knowledge and understanding, including support to advocacy and information campaigns, about the plight the poor find themselves in and the means whereby poverty can be eliminated.

3. RESULTS

The results for the year are set out on page 6 of these financial statements.

4. SOLVENCY

The Company's state of affairs at 31 December 2008 is set out on page 7 of these financial statements. The Company relies on donations from donors organizations to pursue its activities. The company has commitments from; Department for International Development (DFID); Irish Aid; Royal Netherlands Embassy; Canadian International Development Agency (CIDA); Norwegian Embassy to finance the activities of the Company in the forthcoming year as per the MOU between them and the Foundation signed in the year 2007.

5. EMPLOYEES' WELFARE

(i) Training Facilities

A training programme is drawn up every year to cater for all grades of staff. Training is mainly conducted through local training institutions. Overseas training is pursued only in the limited number of cases where relevant training is not available locally.

(ii) Medical Facilities

The Company provides medical insurance to each employee together with their immediate family members.

(iii) Staff Loans

This is available to all employees depending of the assessment by management of the need and according to the Foundation regulation. In 2008, staff were provided loans to procure laptops so that their field activities are simplified.

**THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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REPORT OF THE DIRECTORS (Continued)

5. EMPLOYEES' WELFARE (continued)

Disabled Persons

It remains the Company's policy to accept disabled persons for employment for those vacancies that they are able to fill.

6. DIRECTORS

The Directors who served the Company since January 2008 to the date of this report are as follows:

Name	Nationality	Position	Date appointed
Dr. Stigmata Tenga	Tanzanian	Chairperson	Appointed 7 September 2007
Heri Bomani	Tanzanian	Deputy Chairperson	Appointed 7 September 2007
Prudence K. Kaijage	Tanzanian	Director	Appointed 7 September 2007
Gertrude K. Mugizi	Tanzanian	Director	Appointed 7 September 2007
Eng. Herbert J. Kasilillah	Tanzanian	Director	Appointed 7 September 2007
Thea Mushi	Tanzanian	Director	Appointed 7 September 2007
John Ulanga	Tanzanian	Secretary	Appointed 14 November 2005

7. AUDITORS

Deloitte & Touche have expressed their willingness to continue in office, and will be proposed for re-appointment at the next Annual General Meeting.

BY THE ORDER OF THE BOARD

.....
EXECUTIVE DIRECTOR
SECRETARY TO THE BOARD AND TO THE MEMBERS

.....
DATE

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of their operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Dr. Stigmata Tenga
Director

John Ulanga
Director

_____ 2009

_____ 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FOUNDATION FOR CIVIL SOCIETY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of the Foundation for Civil Society Limited, set out on pages 6 to 20 which comprise the balance sheet as at 31 December 2008, and the statement of income and expenditure, statement of changes in reserves and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31 December 2008 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002.

Report on Other Legal Requirements

As required by the Tanzanian Companies Act we report to you, based on our audit, 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 company's balance sheet and income statement are in agreement with the books of account.

Deloitte & Touche

Certified Public Accountants (T)

EA Harunani
Dar es Salaam

..... 2009

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 TZS' 000	2007 TZS' 000 (Restated)
Income			
Accountable grants	4	8,775,893	6,046,676
Other income		<u>20,858</u>	<u>14,913</u>
Total income		<u>8,796,751</u>	<u>6,061,589</u>
Expenditure			
Grants disbursements	5	4,602,561	2,666,936
Other grants expenses	6	2,882,626	1,885,123
Central administration expenses	7	<u>1,283,989</u>	<u>1,086,766</u>
Total expenditure		<u>8,769,176</u>	<u>5,638,825</u>
Surplus of income over expenditure		<u><u>27,575</u></u>	<u><u>422,764</u></u>

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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BALANCE SHEET
AT 31 DECEMBER 2008

	Notes	2008 TZS' 000	2007 TZS' 000 (Restated)
Non current assets			
Equipment	8	<u>201,674</u>	<u>221,129</u>
Current assets			
Staff advances		37,515	21,026
Prepayments	9	44,857	12,484
Bank and cash balances		<u>859,237</u>	<u>685,426</u>
		<u>941,609</u>	<u>718,936</u>
TOTAL ASSETS		<u><u>1,143,283</u></u>	<u><u>940,065</u></u>
RESERVES AND LIABILITIES			
Reserves			
Accumulated surplus		696,265	668,690
Current liabilities			
Payables	10	<u>447,018</u>	<u>271,375</u>
		<u>447,018</u>	<u>271,375</u>
TOTAL RESERVES AND LIABILITIES		<u><u>1,143,283</u></u>	<u><u>940,065</u></u>

The financial statements on pages 6 to 20 were approved by the Board of Directors on.....
2009 and were signed on its behalf by:

Stigmata Tenga
Director

John Ulanga
Director

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Accumulated surplus
		TZS' 000
Balance at 1 January 2007 – As previously stated		2,419,200
Prior year adjustment	3	<u>(2,173,274)</u>
Balance at 1 January 2007- As restated		245,926
Surplus for the year		422,764
At 31 December 2007		<u>668,690</u>
Balance at 1 January 2008		668,690
Surplus for the year		27,575
Balance at 31 December 2008		<u><u>696,265</u></u>

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	TZS' 000	TZS' 000
Cash flow from operating activities		
Surplus of income over expenditure	27,575	422,764
Adjustments for:		
Depreciation	77,842	36,715
Loss on lost asset	869	-
Net cash flow before working capital changes	<u>106,286</u>	<u>359,479</u>
Changes in working capital		
(Increase)/decrease in staff advances	(16,489)	1,751
(Increase) in prepayments	(32,375)	(8,057)
Increase in payables	<u>175,644</u>	<u>163,421</u>
Net cash outflow from operating activities	<u>233,066</u>	<u>616,594</u>
Cash flow from investing activities		
Purchase of equipment	<u>(59,255)</u>	<u>(183,878)</u>
Net cash outflow from investing activities	<u>(59,255)</u>	<u>(183,878)</u>
Increase in cash and cash equivalents during the year	173,811	432,716
Cash and cash equivalent at the beginning of the year	<u>685,426</u>	<u>252,710</u>
Cash and cash equivalent at the end of the year	<u><u>859,237</u></u>	<u><u>685,426</u></u>

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. PRINCIPAL ACCOUNTING POLICIES

The company pursues charitable objectives and its constitution requires that the income and property of the Company shall be applied solely towards promotion of the objects of the Company as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, gift, division, bonus or otherwise by way of profit to the members of the Company.

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards under the historical cost basis of accounting and are presented in the functional currency, Tanzania Shillings (TZS).

Adoption of new and revised International Financial Reporting Standards (IFRSs)

Standards and interpretations effective in the current period

The following new interpretations issued by the International Financial Reporting Interpretations Committee and revised standard are effective for the current period:

- IFRIC 12, Service Concession Arrangements (effective 1 January 2008);
- IFRIC 13, Customer Loyalty Programmes (effective 1 July 2008);
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective 1 January 2008);
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008).

The adoption of this Interpretation and the revised standard has not led to any changes in the Company's accounting policies.

Standards and Interpretations in issue not yet effective

At the date of authorization of these financial statements, the following amendments to Standards and new Interpretations were in issue but not yet effective:

- IFRIC 15, Agreements for the construction of Real Estate (effective for accounting periods beginning on or after 1 January 2009);
- IFRIC 17, Distributions of Non-cash Assets to Owners (effective for accounting periods on or after 1 January 2009);
- IFRIC 18, Transfers of Assets from Customers (effective for accounting periods on or after 1 July 2009);
- IFRS 1, First-Time Adoption of International Financial Reporting Standards – Amendment relating to cost of an investment on first-time adoption (effective for accounting periods beginning on or after 1 January 2009);
- Share-based Payment — Amendment relating to vesting conditions and cancellations (effective for accounting periods beginning on or after 1 January 2009);
- IFRS 3, Business Combinations – Comprehension revision on applying the acquisition method (effective for accounting periods beginning on or after 1 July 2009);

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Adoption of new and revised International Financial Reporting Standards (IFRSs)
(Continued)

- IFRS 7, Financial Instruments: Disclosures, Amendments enhancing disclosures about fair value and liquidity risk (effective for annual periods beginning on or after 1 January 2009);
- IFRS 8, Operating Segments (effective for accounting periods beginning on or after 1 January 2009);
- IAS 1, Presentation of financial Statements - Comprehensive revision including requiring a statement of comprehensive income and Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (effective for accounting periods on or after 1 January 2009);
- IAS 23, Borrowing Costs - Comprehensive revision to prohibit immediate expensing (effective for accounting periods on or after 1 January 2009);
- IAS 27, Consolidated and Separate Financial Statements — Amendment relating to cost of an investment on first-time adoption (effective for accounting periods beginning on or after 1 January 2009);
- IAS 27, Consolidated and Separate Financial Statements: Consequential amendments arising from amendments to IFRS 3 (effective for accounting periods beginning on or after 1 July 2009);
- IAS 28, Investments in Associates: Consequential amendments arising from amendments to IFRS 3 (effective for accounting periods beginning on or after 1 July 2009);
- IAS 31, Interests in Joint Ventures: Consequential amendments arising from amendments to IFRS 3 (effective for accounting periods beginning on or after 1 July 2009);
- IAS 32, Financial Instruments: Presentation: Amendments relating to puttable instruments and obligations arising on liquidation (effective for accounting periods beginning on or after 1 January 2009);
- IAS 39, Financial Instruments: Recognition and Measurement: Amendments for embedded derivatives when reclassifying financial instruments (effective for accounting periods beginning on or after 30 June 2009);
- IAS 39, Financial Instruments: Recognition and Measurement: Amendments for eligible hedged items (effective for accounting periods beginning on or after 1 July 2009);

“Improvements to IFRSs” was issued in May 2008 and its requirements are effective over a range of dates, with the earliest effective date being for annual periods beginning on or after 1 January 2009. This comprises a number of amendments to IFRSs, which resulted from the IASB’s annual improvements project. The directors are currently assessing the impact and expected timing of adoption of these amendments on the company’s results and financial position.

The company is in the process of evaluating the effects of these new standards and interpretations; they are not expected to have significant impact on the company’s results and disclosures.

Financial instruments

Financial assets and liabilities are recognized on the company’s balance sheet when the company becomes party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are carried at anticipated realized value. An estimate is made for doubtful receivables based on the review of all outstanding amounts and are recognized in the income statement. Bad debts are written off when all reasonable steps to recover them have failed.

Trade payables

Trade payables are stated at their nominal value.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Revenue recognition

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

Accountable grant recognised during the period is determined by agreement between the Company and the pledging donor. It is measured at the fair value of the contractual amount received or receivable during the year taking into account the surplus amount from the previous year that is returned to the donor.

Accountable grant pledged by donor(s) for a period(s) beyond the accounting period is not recognised.

Capital grants received in the form of fixed assets are capitalised at their fair value and correspondingly credited to capital grants, less subsequent depreciation.

Property and equipment

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

Depreciation is calculated in the straight-line method to write off the cost of each asset, to their residual value over its estimated useful life as follows:

Motor vehicle	4 years
Furniture and fittings	8 years
Computer equipment	3 years
Office equipment	8 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance expenses related to equipment are charged to the Income Statement of the year in which they are incurred, while maintenance expenses that increase the value of equipment are capitalised.

Impairment

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized in the income statement whenever the carrying amount of the asset exceeds its recoverable amount.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate can be made.

The Company recognises the present obligation arising when the asset is delivered or it enters into an irrevocable agreement to acquire the asset. Values of purchase orders and other agreements that are under execution during the end of the period, and are irrevocable, are provided for.

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Provisions (continued)

The company provides 10% of basic salary as gratuity payable to staff after successful completion of contract. The amount recognised at the end of the period is based on the number of months an employee has worked with the Company before expiration of the present employment contract.

Employee leave days that remain outstanding at the end of the period, are provided for based on an employee's monthly salary in the month in which the accounting period ends.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzania Shillings at rates ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.

Pension and other post-employment benefits

The organization contributes in a statutory pension scheme (National Social Security Fund) to which the employer and the employee contribute 10% respectively. The employer's contributions are charged to the income statement as they fall due.

Expenses

Expenses are recognised on an accrual basis.

When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognised in the income statement on the basis of systematic and rational allocation procedures.

An expense is recognised immediately in the income statement when expenditure produces no future economic benefits or when, and to the extent that; future economic benefits do not qualify, or cease to qualify for recognition on the balance sheet as an asset.

Grant disbursement expense is based on the amounts disbursed to the fund recipients and charged in the period in which it is disbursed. The Foundation disburses non accountable grants.

Value Added Tax (VAT)

The company is not registered for VAT and the practice has been to apply for VAT exemption for specific procurement of goods and services from the taxation authority. Where VAT exemption is not obtained from taxation authority on purchases of specific supplies to the company, in which case cost of the supplies will include the VAT element.

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Provisions (continued)

Income tax

The company is exempted from Income Tax as it is engaged solely in charitable activities without profit motive.

Retirement benefits obligation

The company's contributions in respect of retirement benefit costs are charged to the income statement in the year to which they relate. The company makes contributions to National Social Security Fund, a statutory defined contribution pension scheme. The company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to 10% of gross pay.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgments', estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Property, plant and equipment

Critical estimates are made by directors in determining the useful lives and residual values to property, plant and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

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3. RECONCILIATION OF EQUITY AT 1 JANUARY 2007

	Note	As previous stated	Prior year adjustment	Restated amount
		Tshs'000	Tshs'000	Tshs'000
Non current assets				
Equipment		73,965	-	73,965
Current assets				
Staff advances		22,777	-	22,777
Prepayments	1	2,177,701	(2,173,274)	4,427
Bank and cash balances		252,710	-	252,710
		<u>2,453,188</u>	<u>(2,173,274)</u>	<u>279,914</u>
TOTAL ASSETS		<u><u>2,527,153</u></u>	<u><u>(2,173,274)</u></u>	<u><u>353,879</u></u>
RESERVES AND LIABILITIES				
Reserves				
Accumulated surplus	2	2,419,200	(2,173,274)	245,926
Current liabilities				
Payables		107,953	-	107,953
TOTAL RESERVES AND LIABILITIES		<u><u>2,527,153</u></u>	<u><u>(2,173,274)</u></u>	<u><u>353,879</u></u>

Notes to the reconciliation of equity at 1 January 2007

1. The prior year adjustment relates to the adjustment to recognize grant expenses on disbursement of the non accountable grants. Grant expenses were previously expensed when accounted for and for any unaccounted for grants were recognized as prepayments.
2. Prepayment account was adjusted to recognise grant disbursements that were not expensed on disbursement under previous accounting treatment; the advances are reversed and expensed in the income statement as grant expense upon disbursement to grantees.
3. Accumulated surplus decreased by the prior year adjustment amount of grant disbursement expensed as noted in Note 1 above.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2008	2007
	TZS'000	TZS'000
4. ACCOUNTABLE GRANTS		
Accountable grants - DFID	2,287,370	-
Accountable grants - SDC	848,022	880,754
Accountable grants - Ireland Aid	1,475,297	1,348,962
Accountable grant Royal Netherlands Embassy	2,495,530	2,463,500
Accountable grant Royal Norwegian Embassy	674,696	317,960
Accountable Grant - CIDA	994,978	1,042,451
Return of Accountable Grants		
Accountable grant - DANIDA	-	(6,951)
	<u>8,775,893</u>	<u>6,046,676</u>
		(Restated)
5. GRANTS DISBURSEMENTS		
Registration grant	30,167	33,085
Small rolling grants	627,595	450,607
Medium grants	2,646,134	1,457,341
Strategic grants	<u>1,298,665</u>	<u>725,903</u>
	<u>4,602,561</u>	<u>2,666,936</u>
6. OTHER GRANTS EXPENSES		
Salaries: Programme and grants staff	312,340	229,640
Publishing and printing	379,752	155,995
Training and capacity building	584,985	406,640
Regional outreach and networking	350,367	154,050
Public policy dialogue and monitoring	135,262	90,490
Selection committee - remuneration and expenses	68,047	40,871
Promoting CSOs image (Awards)	172,779	-
Annual forum with CSOs	197,463	217,372
Audit fees for grants and monitoring	186,139	51,000
Measurement and evaluation impact assessment	-	233,077
Information session	116,025	-
Advertisements and publicity	251,482	250,412
Research activities	72,877	21,658
Other grants expenses	<u>55,108</u>	<u>33,918</u>
	<u>2,882,626</u>	<u>1,885,123</u>

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2008	2007
	TZS'000	TZS'000
7. CENTRAL ADMINISTRATION EXPENSES		
Board meeting expenses	23,372	29,009
Payroll and related costs	480,637	336,072
Staff training	89,656	29,834
Annual report preparation and printing	65,422	51,945
Audit fees for company	30,063	20,679
Rent	51,008	55,581
Depreciation	77,842	36,715
Loss on disposal	869	-
Loss on exchange	30,154	119,628
Other administration costs	434,966	407,303
	<u>1,283,989</u>	<u>1,086,766</u>

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fittings	Motor Vehicles	Computer	Office Equipment	Capital Works in Progress	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
COST						
At 1 January 2007	35,011	66,906	109,598	39,810	-	251,325
Additions	<u>7,533</u>	<u>-</u>	<u>38,817</u>	<u>927</u>	<u>136,602</u>	<u>183,880</u>
At 1 January 2008	42,544	66,906	148,415	40,737	136,602	435,204
Additions	5,630	-	23,399	30,226	-	59,255
Transfers	-	88,722	47,880	-	(136,602)	-
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(927)</u>	<u>-</u>	<u>(927)</u>
At 31 December 2008	<u>48,174</u>	<u>155,628</u>	<u>219,694</u>	<u>70,036</u>	<u>-</u>	<u>493,531</u>
DEPRECIATION						
As at 1 January 2007	15,781	53,362	91,932	16,285	-	177,360
Charge for the year	<u>4,4712</u>	<u>13,544</u>	<u>13,425</u>	<u>5,034</u>	<u>-</u>	<u>36,716</u>
As at 1 January 2008	20,493	66,906	105,357	21,319	-	214,075
Charge for the year	5,954	22,181	42,384	7,321	-	77,840
Elimination on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58)</u>	<u>-</u>	<u>(58)</u>
At 31 December 2008	<u>26,447</u>	<u>89,087</u>	<u>147,741</u>	<u>28,582</u>	<u>-</u>	<u>291,857</u>
NET BOOK VALUE						
At 31 December 2008	<u>21,727</u>	<u>66,541</u>	<u>71,953</u>	<u>41,454</u>	<u>-</u>	<u>201,674</u>
At 31 December 2007	<u>22,235</u>	<u>-</u>	<u>43,058</u>	<u>19,418</u>	<u>136,602</u>	<u>221,129</u>

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2008	2007
	TZS'000	TZS'000
		(Restated)
9. PREPAYMENTS		
TRACE	640	-
TAYOA	1,280	-
Masumin Printways & Stationers Ltd	1,900	-
Mark Ad Printers	2,800	-
Ms TCDC	720	-
MD FESA	900	-
Swissport Tanzania Ltd	900	-
Haidery Plaza	6,179	6,692
Insurance	-	5,792
Other Debtors	29,538	-
	<u>44,857</u>	<u>12,484</u>
10. PAYABLES		
Accrued expenses	344,790	180,242
Sundry creditors	1,440	33,489
Leave pay provision	55,496	30,409
Provision for gratuity	45,292	30,019
	<u>447,018</u>	<u>274,159</u>

11. DONOR COMMITMENTS

At 31 December 2008, the company had commitment of approved and contracted grants disbursement amounting to TZS 18,488,037,015 (2007: TZS 24,450,391,560)

The commitment are as follows:

	2008	2007
	TZS'000	TZS'000
Department for International Development (DFID)	7,862,264	9,056,720
Swiss Agency for Development and Co-operation (SDC)	-	783,754
Ireland Aid	2,161,914	3,313,627
Embassy of the Kingdom of the Netherlands	5,121,200	6,792,540
Norwegian Embassy	842,492	1,718,809
Canadian International Development Agency (CIDA)	2,500,167	2,784,942
	<u>18,488,037</u>	<u>24,450,392</u>

THE FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. COMMITMENTS TO GRANTEEES

At 31 December 2008, the company had commitment of approved and contracted grants disbursement amounting to TZS 7,108,132,000 (2007:TZS 5,782,810,000)

The commitment are as follows:

	2008	2007
	TZS'000	TZS'000
Strategic grants	3,906,923	2,928,290
Medium grants	3,051,206	2,818,051
Rolling small grants	144,725	36,470
Registration Grants	<u>5,278</u>	<u>-</u>
	<u><u>7,108,132</u></u>	<u><u>5,782,810</u></u>

13. CURRENCY RISK

The company wholly operates in Tanzania and its assets and liabilities are reported in the Tanzania shilling which is the reporting currency. Grants are received in foreign currency and converted into Tanzanian shillings on transaction date.

14. REPORTING CURRENCY

The financial statements are prepared in Tanzania shilling (Tshs'000).

15. INCORPORATION

The company is incorporated in Tanzania under the Companies Ordinance (CAP 212) which has been replaced by Companies Act 2002, as a company limited by guarantee. The liability of members is limited to the maximum of TZS 100,000 each. The company has no share capital.

16. EVENTS SUBSEQUENT TO THE YEAR END

The directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affected the financial position of the company and the results of its operations.