THE FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee and not having a share capital)

FINANCIAL STATEMENTS

31 DECEMBER 2009

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(A company limited by guarantee and not having a share capital)

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FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee and not having a share capital)

COMPANY INFORMATION
31 DECEMBER 2009

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 Plc
P.O Box 268
Dar es Salaam
Tanzania

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

LAWYERS

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

AUDITORS

Deloitte & Touche
Certified Public Accountants (T)
10th PPF Tower, Ohio Street/Garden Avenue
P.O. Box 1559
Dar-es-Salaam
Tanzania

FOUNDATION FOR CIVIL SOCIETY LIMITED
(A company limited by guarantee and not having a share capital)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009

The directors are pleased to submit their report together with the audited financial statements for the year ended 31 December 2009

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 and not having a share capital.

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 7 of these financial statements.

4. SOLVENCY

The Company's state of affairs at 31 December 2009 is set out on page 8 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 years as per the MOU between them and The Foundation signed in the year 2006.

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.

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 2009 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
Rehema Tukai	Tanzanian	Director	Appointed 15 October 2009
Adam Njanga Simbeye	Tanzanian	Director	Appointed 15 October 2009
Casmir Makoye	Tanzanian	Director	Appointed 15 October 2009
Olive Luena	Tanzanian	Director	Appointed 15 October 2009
John Ulanga	Tanzanian	Executive Director	Appointed 14 November 2005
Resigned			
Gertrude K. Mugizi	Tanzanian	Director	End of term 15 October 2009
Eng. Herbert J. Kashililah	Tanzanian	Director	End of term 15 October 2009
Thea Mushi	Tanzanian	Director	End of term 15 October 2009

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

……
John Ulanga
Executive Director

……2010

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	John Ulanga
Director	**Executive Director**
_____2010	_____2010

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 7 to 21 which comprise the Statement of financial position as at 31 December 2009, and the statement of activities and expenditure, statement of changes in reserves and statement of cash flows 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 2009 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 2002, 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 Statement of financial position and statement of activities are in agreement with the books of account.

Certified Public Accountants (T)
Dar es Salaam

Signed by: EA Harunani …… 2010

FOUNDATION FOR CIVIL SOCIETY LIMITED

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	**2009**	**2008**
		TZS '000	**TZS '000**
INCOME			
Accountable grants	5	9,952,613	8,775,893
Other income		86,117	20,858
Total income		10,038,730	8,796,751
EXPENDITURE			
Grants disbursements	6	6,145,358	4,602,561
Other grants expenses	7	2,732,230	2,882,626
Central administration expenses	8	1,531,055	1,283,969
Total expenditure		10,408,643	8,769,176
(Deficit)/surplus of income over expenditure		(369,913)	27,575

FOUNDATION FOR CIVIL SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2009

	Notes	2009 TZS '000	2008 TZS '000
ASSETS			
Non current assets			
Equipment	9	183,248	201,674
Current assets			
Staff advances		44,330	37,515
Prepayments	10	13,712	44,857
Bank and cash balances		221,710	859,237
		279,752	941,609
TOTAL ASSETS		**463,000**	**1,143,283**
RESERVES AND LIABILITIES			
Reserves			
Accumulated surplus		326,352	696,265
Current liabilities			
Payables	11	136,648	447,018
TOTAL RESERVES AND LIABILITIES		**463,000**	**1,143,283**

The financial statements on pages 7 to 21 were approved by the Board of Directors on……. 2010 and were signed on its behalf by:

Stigmata Tenga	John Ulanga
Director	**Executive Director**

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2009

	Accumulated surplus TZS' 000
Balance at 1 January 2008	668,690
Surplus for the year	27,575
At 31 December 2008	696,265
Balance at 1 January 2009	696,265
Deficit for the year	(369,913)
Balance at 31 December 2009	**326,352**

FOUNDATION FOR CIVIL SOCIETY LIMITED

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 TZS '000	2008 TZS '000
Cash flows from operating activities		
(Deficit)/surplus of income over expenditure	(369,913)	27,575
Adjustments for:		
Depreciation	83,564	77,842
Loss on Lost Asset disposal of assets	-	869
Net cash flow before working capital changes	(286,349)	106,286
Changes in working capital		
Increase in staff advances	(6,815)	(16,489)
Decrease/(increase) in prepayments	31,145	(32,375)
(Decrease)/increase in payables	(310,370)	175,644
Cash outflow from operating activities	**(572,389)**	**233,066**
Cash flows from investing activities		
Purchase of equipment	(65,138)	(59,255)
Cash outflow from investing activities	(65,138**)**	(59,255)
Increase in cash and cash equivalents during the year	(637,527)	173,811
Cash and cash equivalent at the beginning of the year	859,237	685,426
Cash and cash equivalent at the end of the year	**221,710**	**859,237**

1. GENERAL INFORMATION

The Foundation for Civil Society Limited (The Company) is a company limited by guarantee and not having a share capital incorporated in Tanzania. The addresses of its registered office and principal place of business are disclosed in the corporate information page of this report. The principal activities of the company are described in the directors report.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

a) Standards and Interpretations affecting amounts reported in the current period (and/or prior periods

- IAS 1 (as revised in 2007) Presentation of Financial Statements, became effective on 1 January 2009 has been adopted. It has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

The adoption of the IAS 1 (as revised in 2007) had no impact on the Company's accounting policies.

b) Standards and Interpretations adopted but had no effects on the amounts reported

- IAS 23 (as revised in 2007) Borrowing Costs. The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on these financial statements because it has always been the Company's accounting policy to capitalize borrowing costs incurred on qualifying assets.

- IAS 32 (amendment) and IAS 1 (amendment) - Puttable Financial Instruments and Obligations Arising on Liquidation. The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.

- IFRS 2 (amendments) Share-based Payment - Vesting Conditions and Cancellations. The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.

- IFRIC 15 Agreements for the Construction of Real Estate. The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction of real estate should be recognized.

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation. The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(b) Standards and Interpretations adopted but had no effects on the amounts reported (Continued)

- IFRS 1, First-Time Adoption of International Financial Reporting Standards – Amendment relating to cost of an investment on first-time adoption. The amendments deal with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRSs for the first time and with the recognition of dividend income from subsidiaries in a parent's separate financial statements.

- IAS 39, Financial Instruments: Recognition and Measurement: Amendments for eligible hedged items. The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.

- IFRIC 17, Distributions of Non-cash Assets to Owners. The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.

- IFRIC 18, Transfers of Assets from Customers. The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognize the asset at its fair value on the date of the transfer, with the credit recognized as revenue in accordance with IAS 18 Revenue.

- IFRIC 13, Customer Loyalty Programmes. The interpretation requires entities to account for award credits as a separately identifiable component of the sales transaction(s) in which they are granted.

c) Standards and Interpretations in issue not yet effective

- IFRS 2, Share-based Payment (amendments). The amendments clarify the scope of IFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.

- IFRS 9, Financial Instruments — IFRS 9 specifies how an entity should classify and measure its financial assets. It requires all financial assets to be classified in their entirety on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are measured either at amortised cost or fair value.

- IAS 17, Leases (amendments). The amendments remove the guidance that required leases of land with an indefinite useful life to be classified as operating leases, and they are to be applied retrospectively to unexpired leases at 1 January 2010 if the necessary information was available at the inception of the lease.

The directors will assess the impact of the amendments and issued standards and Interpretation when become effective to determine their impact to Company's accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been 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).

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 to be returned to the donor.

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

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

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 statement of activities on the basis of systematic and rational allocation procedures.

An expense is recognised immediately in the statement of activities 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.

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.

Income tax

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 statement of activities. Bad debts are written off when all reasonable steps to recover them have failed.

Trade payables
Trade payables are stated at their nominal value.

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 statement of activities 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 statement of activities whenever the carrying amount of the asset exceeds its recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 statement of activities 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 statement of activities as they fall due.

Retirement benefits obligation

The company's contributions in respect of retirement benefit costs are charged to the statement of activities 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.

4. 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.

		2009 TZS '000	2008 TZS '000
5.	ACCOUNTABLE GRANTS		
	Department For International Development	3,481,525	2,287,370
	Swiss Agency for Development Cooperation	983,560	848,022
	Royal Netherlands Embassy	2,617,140	2,495,530
	Royal Norwegian Embassy	542,438	674,696
	Canadian International Development Agency	1,071,322	994,978
	Ireland Aid	1,256,628	1,475,297
		9,952,613	**8,775,893**
6.	GRANTS DISBURSEMENTS		
	Strategic grants	1,774,462	1,298,665
	Medium grants	3,715,316	2,646,134
	Small rolling grants	638,807	627,595
	Registration grant	16,773	30,167
		6,145,358	**4,602,561**
7.	OTHER GRANTS EXPENSES		
	Salaries: Programme and grants staff	333,753	312,340
	Publishing and printing	138,958	379,752
	Training and capacity building	1,005,559	584,985
	Regional outreach and networking	303,063	350,367
	Public policy dialogue and monitoring	122,268	135,262
	Selection committee - remuneration and expenses	31,054	68,047
	Promoting CSOs image (Awards)	262,751	172,779
	Annual forum with CSOs	144,803	197,463
	Audit fees for grants and monitoring	81,918	186,139
	Information session	205,650	116,025
	Advertisements and publicity	45,717	251,482
	Research activities	4,195	72,877
	Other grants expenses	52,541	55,108
		2,732,230	**2,882,626**

	2009 TZS '000	2008 TZS '000
8. CENTRAL ADMINISTRATION EXPENSES		
Board meeting expenses	95,920	23,372
Payroll and related costs	673,572	480,637
Staff training	119,524	89,656
Annual report preparation and printing	-	65,422
Audit fees for company	21,152	30,063
Rent	166,031	51,008
Depreciation	83,565	77,842
Loss on disposal of equipment	-	869
Loss on exchange	(124,202)	30,154
Other administration costs	495,523	434,966
	1,531,055	**1,283,989**

9. PROPERY, PLANT AND EQUIPMENT

	Furniture and Fittings	Motor Vehicles	Computer	Office Equipment	Capital Work in progress	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
COST						
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
Transfer	-	88,722	47,880	-	(136,602)	-
Disposal	-	-	-	(927)	-	(927)
At 31 December 2008	48,174	155,628	219,694	70,036	-	493,532
At 1 January 2009	48,174	155,628	219,694	70,036	-	493,532
Additions	13,247		26,945	24,946	-	65,138
At 31 December 2009	61,421	155,628	246,639	94,982	-	558,670
DEPRECIATION						
As at 1 January 2008	20,493	66,906	105,357	21,319	-	214,075
Charge for the year	5,954	22,181	42,385	7,321	-	77,841
Eliminated on disposal	-	-	-	(58)	-	(58)
At 31 December 2008	26,447	89,087	147,742	28,582	-	291,858
As at 1 January 2009	26,447	89,087	147,742	28,582		291,858
Charge for the year	6,349	22,182	44,088	10,945		83,564
At 31 December 2009	32,796	111,269	191,830	39,527		375,422
NET BOOK VALUE						
At 31 December 2009	28,625	44,359	54,810	55,454		183,248
At 31 December 2008	21,727	66,541	71,953	41,454		201,674

		2009 TZS '000	2008 TZS '000
10.	PREPAYMENTS		
	TRACE	-	640
	TAYOA	-	1,280
	Masumin Printways & Stationers Ltd	-	1,900
	Mark Ad Printers	-	2,800
	Ms TCDC	-	720
	MDF ESA	-	900
	Swissport Tanzania Ltd	-	900
	Haidery Plaza	13,712	6,179
	Other Debtors	-	29,538
		13,712	44,857
11.	PAYABLES		
	Accrued expenses	44,080	344,790
	Sundry creditors	203	1,440
	Leave pay provision	16,922	55,496
	Provision for gratuity	75,443	45,292
		136,648	447,018
12.	DONOR COMMITMENTS		
	Department for International Development	4,380,739	7,862,264
	Ireland Aid	905,286	2,161,914
	Royal Netherlands Embassy	2,504,060	5,121,200
	Norwegian Embassy	-	842,492
	Canadian International Development Agency	1,428,845	2,500,167
		9,218,930	18,488,037

13. COMMITMENTS TO GRANTEES

The commitment are as follows:	**2009**	**2008**
	TZS'000	**TZS'000**
Strategic grants	3,463,558	3,906,923
Medium grants	3,700,596	3,051,206
Rolling small grants	61,666	144,725
Registration Grants	2,590	5,278
	7,228,410	**7,108,132**

14. CAPITAL COMMITMENTS

As at 31 December 2009, the company did not have any contractual commitments for any capital expenditure.

15. OPERATING LEASE OBLIGATIONS

At the date of statement of financial position, the company had outstanding commitments under operating leases, payable as follows;

	2009 TZS'000	2008 TZS'000
Haidery Complex Limited	134,687	103,766
	134,687	103,766

Operating lease payments represent rentals payable by the company for its office premises. Leases are negotiated for an average term of one to three years during which rentals are fixed.

16. 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.

17. REPORTING CURRENCY

The financial statements are prepared in Tanzania shilling (TZS)

18. 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.

19. 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.