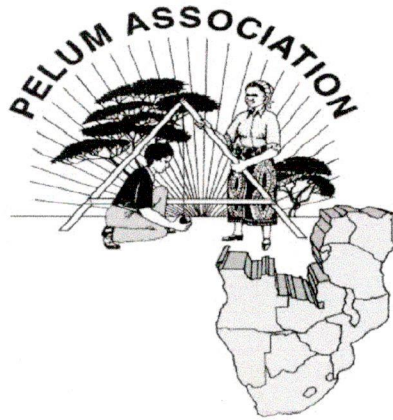




PARTICIPATORY ECOLOGICAL LAND USE MANAGEMENT

(PELUM TANZANIA)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

CITY ASSOCIATES
Audit, advisory, Accounting and Tax

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ORGANISATION INFORMATION

BOARD OF DIRECTORS	Name	Designation	Nationalit	Organization
	: Victor Yobu El-Nshau	Chairman	Tanzanian	ADP Mbozi
	: Specioza Kifutu	Vice Chairperson	Tanzanian	KMT
	: Theophil Kayombo	Treasurer	Tanzanian	One World
	: Dominick Ringo	Director	Tanzanian	RECODA
	: Marshal Mpokonya	Director	Tanzanian	Caritas Mahenge
	: Donati Alex Senzia	Board Secretary	Tanzanian	PELUM Tanzania

CHIEF OFFICERS	: Donati Alex Senzia	Country Coordinator
	: Micah Musa	Finance & Administration Manager

**REGISTERED OFFICE
AND PRINCIPAL PLACE
OF BUSINESS** : Old Dar es Salaam Road
Kigurunyembe Mizambarauni, Plot No.445
P.O. Box 390
Morogoro
Tanzania.

INDEPENDENT AUDITOR : City Associates
1st Floor, Nasra Tower, Gerezani
P.O. Box 75587
Dar es Salaam
Tanzania.

PRINCIPAL BANKER : CRDB Bank
Mandela Branch
P.O. Box 150
Morogoro
Tanzania

Exim Bank Tanzania Limited
Morogoro Branch
P.O. Box 6033
Morogoro
Tanzania

REPORT OF THE DIRECTORS

The directors present their report on the financial statements of PELUM Tanzania for the year ended 31st December 2018.

REGISTRATION

The organization is incorporated in the United Republic of Tanzania under the NGO Act 2002 as a Non-Governmental Organization to operate in Tanzania mainland.

BACKGROUND

Participatory Ecological Land Use Management (PELUM) Tanzania is a legally registered network of Civil Society Organizations (CSOs) that have come together to facilitate and promote networking, learning and advocacy in participatory ecological agriculture. PELUM Tanzania was founded in 1995 by five (5) Member Organizations (MOs) and was officially registered as a Trust Fund in June, 2002. In 2002 the government of United Republic of Tanzania formulated a Non-Governmental Act which amongst others required all NGOs to be registered under this act and those which were registered before the act was passed were required to comply with the Tanzania Non- Governmental Organization Act, 2002. In February 2008, PELUM Tanzania complied with the NGO Act of 2002 with registration No. 1978. By December 2018, number of PELUM Tanzania member organizations was 38.

PELUM Tanzania is part of the bigger and regional network called PELUM Association currently operating in 12 countries in Eastern, Central and Southern Africa promoting ecological land use management. PELUM Association members are PELUM Tanzania, Rwanda, Uganda, Kenya, Zambia, Zimbabwe, Malawi, Lesotho, South Africa, Ethiopia, Swaziland and Botswana.

PRINCIPAL ACTIVITY

PELUM Tanzania core business is the promotion of ecological agriculture through: strengthening capacity of Member Organization, documentation and communication, networking, and advocacy. There have been no material changes to the nature of the organization's activities from the prior year.

REVIEW OF ACTIVITIES

The financial statements have been prepared in accordance with International Financial Reporting Standards and requirements of the Tanzania NGO Act 2002. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of the operations and cash flows of the organization are set out in these financial statements.

ORGANIZATION'S VISION

Prosperous smallholder farmers deriving livelihoods from ecological agriculture.

MISSION

To strengthen capacity of Member Organizations in ecological agriculture for improved smallholder farmers' livelihood.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of directors of the Organization at the date of this report are shown in page 1.

CORPORATE GOVERNANCE

PELUM Tanzania is committed to the principles of effective corporate governance. The Organization has established formal administration policies and financial regulations. These policies and regulations provide a solid basis for strengthened accountability and high standards within the organization. The board of directors has delegated day to day operations of the organization's activities to the country secretariat led by the country coordinator. Integrity, transparency, and accountability are amongst the values of the organization.

The organization is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

REPORT OF THE DIRECTORS (CONTINUED)

FUNDING AND EXPENDITURE

During the year 2018, the organization received funding from United States Agency for International Development (USAID), Bread for the World (BfdW), United States Department of Agriculture (USDA), and Swiss Agency for Development and Cooperation (SDC) via Tanzania Organic Agriculture Movement (TOAM). Budget was additionally funded through membership fees and membership contribution. Funds unused as at 31st December 2018 were carried forward for use in approved programs in year 2019.

Expenditures were managed in accordance with the approved budget.

MANAGEMENT

The overall management of the Organization is vested in the Board of Directors, while the day to day operations are currently headed by the Country Coordinator. The Board of Directors comprises of five non executive Directors, headed by the Chairperson, assisted by Executive Secretary and Treasurer.

SOLVENCY

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future activities and operations and that the realization of assets and settlements of liabilities, contingent obligations and commitments will occur in the ordinary course of activities.

The ability of the organization to continue as going concern is dependent on a number of many factors. The The board of directors has reasonable expectation that PELUM Tanzania has adequate resources to continue in operational existence for the foreseeable future.

PERFORMANCE OF THE YEAR

Towards attainment of its mission, four projects were implemented in 2018 namely: Citizens Engaging in Government Oversight (CEGO) in Agriculture; Supporting Land Tenure in Tanzania; Our Seeds Our Rights, and Promoting Ecological Organic Agriculture (EOA). Main activities implemented in the year were related to promoting and enhancing small scale farmers' land rights, seed rights, and access to ecological organic agriculture information. Main achievements for the year 2018 include:

Increased land tenure security: PELUM Tanzania facilitated production of 3,342 Certificates of Customary Rights of Occupancy (CCRO) of which 1,892 were for males, 1,149 females, 280 joint, and 21 institutions such as village government offices, and women groups. The CCRO were produced in 26 villages in six district councils namely Mvomero, Morogoro, Bahi, Kongwa, Mufindi, and Kilolo District Councils.

Increased access to quality seeds: Total of 89,891Kg of quality seeds were produced by 250 farmers (129 men and 121 women). These were bean, maize, sorghum, onion, Irish potatoes, and sunflower seeds. Moreover, farmers produced 600 suckers of banana seedlings, and 2,500 cuttings of cassava seedlings. Increased production of quality seeds contributes to increased farmers' access and use of quality seeds leading to increased agricultural production. The seeds were produced by farmers from Ileje, Momba, Mbozi, Itigi, Karatu, Tarime, Ulanga, Mbeya, Babati, Same, Kigoma, Kilosa, and Gairo District Councils.

Increased knowledge on Seed Multiplication: Total of 452 farmers (221 males and 231 females) were trained on seed multiplication and farmer managed seed system for increased seed sovereignty. The farmers were from 29 farmer groups working with PELUM Tanzania Member Organizations in Ileje, Momba, Mbozi, Itigi, Karatu, Tarime, Ulanga, Mbeya, Babati, Same, Kigoma, Kilosa, and Gairo District Councils.

REPORT OF THE DIRECTORS (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the organization. It is the task of management to ensure that adequate internal finance and 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 organization's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders including beneficiaries.

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. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the organizations systems are designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 31 December 2018 and is of the opinion that they met acceptable criteria.

EMPLOYEES' WELFARE

Management and Employees' Relationship

There were continued good relations between employees and management for the year 2018. There were no unresolved complaints received by Management from the employees during the year.

The organization 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.

The organization provided medical support to staff through a private medical insurance scheme. The Board had two interactive meetings with staff to discuss workplace development.

Medical Assistance

All Helping Hand for Relief and Development staff members along with a maximum of four dependents were availed with medical insurance guaranteed by the Board. Currently these services are provided by AAR Insurance Tanzania.

Employees Benefit Plan

The organization pays contributions to a publicly administered pension plans on mandatory basis which qualifies to be a defined contribution plan.

The average number of employees during the year was 13.

GENDER PARITY

The organisation had 6 female and 7 male employees at the year end.

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

The organization auditor's City Associates have expressed their willingness to continue in office in accordance with section 170 of the Companies Act 2002 and are eligible for re-appointment as organization auditor.

Approved by the board of directors on 10/7/2019 and signed on its behalf by:

Name	Designation	Signature	Date
Victor Yobu El-Nshau	Chairperson		<u>12/07/2019</u>
Donati Alex Senzia	Secretary/Country Coordinator		<u>12/7/2019</u>

STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the directors' responsibility under NGO Act 2002 to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is its responsibility to ensure that the financial statements fairly present the state of affairs of the organization as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with organisation's internal policies and procedures and donor requirements and requirements of the Tanzanian NGO Act 2002. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with internal control policies and procedures, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors' acknowledges that they are ultimately responsible for the system of internal financial control established by the organization and place considerable importance on maintaining a strong control environment. To enable the directors' to meet these responsibilities, the directors' sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organization and all employees are required to maintain the highest ethical standards in ensuring the organization's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organization is on identifying, assessing, managing and monitoring all known forms of risk across the organization. While operating risk cannot be fully eliminated, the organization endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors' are of the opinion based on the information and explanations given by the management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Directors' acknowledges that they are responsible for establishing appropriate policies and procedures to prevent non-compliance with laws and regulations (NOCLAR), including whistleblowing procedures as a necessary part of good internal governance.

The directors' have reviewed the organization's cash flow forecast for the year to 31 December 2019 and, in the light of this review and the current financial position, it is satisfied that the organization has access to adequate funding from donors to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently reviewing and reporting on the organization's financial statements. The financial statements have been examined by the organization's external auditor and their report is presented on pages 8 to 10.

Name	Designation	Signature	Date
Victor Yobu El-Nshau	Chairperson		12/07/2019
Donati Alex Senzia	Secretary/Country Coordinator		12/7/2019

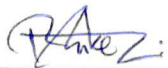
DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING

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 Accounting Department responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/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 Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I, MICAH MUSA hereby confirm that financial statements for the year ended 31 December 2018 have been prepared in compliance with applicable accounting standards and statutory requirements.

I further confirm that the financial statements give a true and fair view position of PELUM Tanzania as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Name: MICAH MUSA

Position: FINANCE AND ADMINISTRATION MANAGER
PELUM Tanzania

NBAA Registration/Membership No: P.500

Date: 10/07/2019

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF PELUM TANZANIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PELUM Tanzania, which comprise the combined statement of financial position as at 31st December 2018, and the combined statement of comprehensive income, combined statement of changes in reserve, and combined statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 31st December 2018, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Non-Governmental Organizations 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 Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Non-Governmental Organizations Act, 2002, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, 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 management either intends 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 Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE DIRECTORS OF PELUM TANZANIA

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

A further description of the auditor's responsibilities for the audit of the financial statements is given in the Appendix to Independent Auditor's report. This description forms part of our auditor's report.

This report, including the opinion, has been prepared for, and only for, the Organization's members as a body in accordance with the Tanzanian Non-Governmental Organizations Act, 2002 and for no other purpose. As required by the Non-Governmental Organizations 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 Organization, so far as appears from our examination of those books; and
- (iii) the Organization's statement of financial position and statement of comprehensive income are in agreement with the books of account.

City associates

City Associates
Certified Public Accountants
Dar es Salaam

Signed by:



Mf
Mohamed Ally,

NBAA registration number: ACPA 2755
Engagement Partner

Date: 15/07 2019

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE DIRECTORS OF PELUM TANZANIA**

Report on the Audit of the Financial Statements (continued)

Appendix to Independent Auditors Report

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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by managements.
- 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 Organization to cease to continue as a going concern.

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.

Participatory Ecological Land Use Management (PELUM Tanzania)
Annual Report and Financial Statements
For the year ended 31 December 2018

COMBINED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2018 TShs	2017 TShs
Income			
Local contributions	1	134,562,057	77,444,602
Grant income	2	773,562,584	1,734,185,815
		<u>908,124,641</u>	<u>1,811,630,417</u>
Total income			
Expenditures			
Personnel costs	3	356,588,920	388,390,307
Program costs	4	367,103,987	1,146,324,446
Institutional development	5	25,556,018	10,731,614
Other administration expenses	6	116,159,281	177,240,160
		<u>865,408,206</u>	<u>1,722,686,527</u>
Total expenditure			
		<u>42,716,435</u>	<u>88,943,890</u>
Surplus for the year			

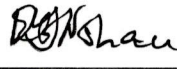
The accounting policies on pages 15 to 21 and notes to the financial statements on pages 22 to 26 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

COMBINED STATEMENT OF FINANCIAL POSITION

	Note	2018 TZS	2017 TZS
ASSETS			
Non - Current Assets			
Property and Equipment	9	80,203,417	104,518,789
Total Non - Current Assets		80,203,417	104,518,789
Current Assets			
Trade and other receivables	7	17,975,120	12,510,996
Cash and Cash Equivalents	8	387,788,536	298,342,282
Total Current Assets		405,763,656	310,853,278
TOTAL ASSETS		485,967,073	415,372,067
EQUITY AND LIABILITIES			
Capital grant		8,959,321	16,388,559
Reserves		395,671,070	349,909,524
Total Equity		404,630,391	366,298,083
Long term liabilities			
Gratuity payable		22,664,434	39,571,164
Total Non-Current Liabilities		22,664,434	39,571,164
CURRENT LIABILITIES			
Trade and other payables	10	58,672,248	9,502,820
Total Current Liabilities		58,672,248	9,502,820
TOTAL EQUITY AND LIABILITIES		485,967,073	415,372,067

The financial statements on pages 11 to 26 were authorised and approved for issue by the Board of Directors on 10/7/2019 and were signed on its behalf by:

Name	Designation	Signature	Date
Victor Yobu El-Nshau	Chairperson		<u>12/07/2019</u>
Donati Alex Senzia	Secretary/Country Coordinator		<u>12/7/2019</u>

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 22 to 26 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

Participatory Ecological Land Use Management (PELUM Tanzania)
Annual Report and Financial Statements
For the year ended 31 December 2018

COMBINED STATEMENT OF CHANGES IN RESERVE FOR THE YEAR		
	2018 TZS	2017 TZS
Surplus / Deficit brought forward	349,909,524	(207,758,115)
Prior year adjustments	3,045,111	(15,219,091)
Surplus for the year	42,716,435	88,943,890
Understated Surplus	-	483,942,840
Accumulated Surplus/Dificity	395,671,070	349,909,524

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 22 to 26 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

COMBINED STATEMENT OF CASH FLOWS FOR THE YEAR

		2018 TZS	2017 TZS
Cash flow from operating activities			
Cash generated in operations	11	114,532,223	50,226,607
Tax paid		-	-
Net cash flow from operating activities		114,532,223	50,226,607
Cash flow from investing activities:			
Acquisition of non current assets		(750,000)	-
Adjustment for Long term Liabilities		(16,906,730)	3,520,801
Net Cash flow from Investing activities		(17,656,730)	3,520,801
Cash flow from financing Activities:			
Capital Grants		(7,429,238)	-
Capital Fund		-	-
Net Cash flow from financing Activities		(7,429,238)	-
Net Increase/Decrease in Cash and Cash Equivalents		89,446,254	53,747,408
Cash and Cash Equivalents at the Start of the year		298,342,282	244,594,874
Cash and Cash Equivalents at the end of the year		387,788,536	298,342,282

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 22 to 26 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the Companies Act of United Republic of Tanzania. The financial statements have been prepared on the historical cost basis except where otherwise stated, and incorporate the principal accounting policies set out below. The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

Going concern

The financial performance of the Organization is set out in the Director's report and in the statement of comprehensive income. The financial position of the Organization is set out in the statement of financial

Based on the financial performance and position of the Organization, the directors are of the opinion that the Organization is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Tanzanian Companies Act 2002. The statement of comprehensive income represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue comprises the fair value of the consideration received from the donors, members and from performance of services in the ordinary course of business and is stated net of Value Added Tax (VAT).

a) New standards and amended standards adopted by the Organization

The Organization has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Changes resulting from the following new or revised standards and interpretations, amendments to existing standards and interpretations and improvements to IFRS that were effective for the current reporting period did not have any impact on the accounting policies, financial position or performance of the Organization.

The new standards or amendments are listed below:

- a) IFRS 12 - Amendments resulting from annual improvements 2014 - 2016 cycle
- b) IAS 7 Amendments as a result of the Disclosure initiative Annual periods beginning on or after January
- c) IAS 12 Amendments regarding the recognition of deferred tax asset for unrealised loss

b) Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Organization's financial statements are listed below. This listing is of standards and interpretations issued, which the Organization reasonably expects to be applicable at a future date. The Organization intends to adopt those standards when applicable as they become effective.

The Organization expects that adoption of these standards, amendments and interpretations in most cases not to have any significant impact on the Organization's financial position or performance in the period of initial application. In cases where it will have an impact, the Organization is still assessing the possible

Cash and cash equivalents are carried in the statement of financial position at face value. For the purpose of statement of cash flow, cash and cash equivalent comprise of cash at bank, cash in hand and cash held by staff as imprest.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Standards issued but not yet effective (continued)

Standard issued but not effective	Effective for accounting period beginning on or after
IFRS 16 Leases	1-Jan-19
IAS 12 Amendments resulting from Annual Improvements 2015 - 2017 cycle (Income to consequences of dividends)	1-Jan-19
IFRS 11 Amendments resulting from Annual Improvement 2015 - 2017 cycle (remeasurment of previously held interest)	1-Jan-19
IAS 19 Amendments regarding plan amendments be retirements or settlements	1-Jan-19
IAS 23 Amendments resulting from improvements 2015 - 2017 cycle (borrowing costs eligible for capitalisation)	1-Jan-19
IAS 28 Amendments regarding long term interests in associated joint ventures	1-Jan-19
IFRS 3 Amendments resulting from annual improvements 2015 - 2017 cycle (remeasurment of preiously held interest)	1-Jan-19
IFRS 9 Amendments regarding prepayment features with negative compensation and modification of financial liabilities	1-Jan-19

c) Critical accounting estimates, judgments and assumptions

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value measurement and valuation process

In estimating the fair value of an asset or a liability, the Organization uses market-observable data to the extent if it is available. Where level 1 inputs are not available, the Organization enagages third party qualified valuers to perform the valuation techniques and input to the models.

(ii) Taxes

Tax is not charged on PELUM - Tanzania surplus as it is a non-profit making organisation which depends on grants for its operations.

(iii) Revenue recognition

In making their judgement, the directors considered the detailed criteria for the recognition of rental income from investment property as set out in IAS 18 and rental income is accrued on a monthly basis.

(iv) Equipment and investment property

Critical estimates are made by the management in determining depreciation rates and useful lives for equipment and investment property. The rates used are set out in the accounting policy under equipment and investment property.

(v) Useful lives of equipment and investment property

Management reviews the useful lives and residual values of the items of equipment and investment property on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Critical accounting estimates, judgments and assumptions (continued)

(vii) Operating lease commitments

The Organization reviews its non financial assets to assess the likelihood of impairment on an annual basis. In determining whether such assets are impaired, management makes judgments as to whether there are any conditions that indicate potential impairment of such assets.

The Organization has entered into leases over its premises. Management has determined that the Organization has not transferred substantially all the risks and rewards of ownership of these premises, therefore the leases have been classified as operating leases and accounted for accordingly.

d) Revenue recognition

Revenue comprises the fair value of the consideration received from the donors, members and from performance of services in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

The Organization recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for the Organization's activity as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the performance of services have been resolved. The Organization bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

Rental income is accrued on a monthly basis over the term of lease.

Interest revenue is recognized in the year in which it is earned. The amount of revenue is measured using the effective interest rate method. Interest income is accrued by reference to time in relation to the principal amount outstanding and the effective interest rate applicable.

e) Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

f) Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Translation of foreign currencies (continued)

- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

The resulting differences from conversion and translation are dealt with in the statement of comprehensive income in the year in which they arise.

g) Investment property

Revenue comprises the fair value of the consideration received from the donors, members and from performance of services in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognized as an expense in the year in which it is incurred

h) Financial instruments

Financial assets and liabilities are recognised when the Organization becomes a party to the contractual provisions of the instrument. Management determines all classifications of financial assets at initial recognition.

Financial assets

The Organization's financial assets which include cash and cash equivalents, fall into the following categories:

(i) Loans and advances

Financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the statement of financial position date. All assets with maturities greater than 12 months after the statement of financial position date are classified as non-current assets. Such assets are carried at amortized cost using the effective interest rate method. Changes in the carrying amount are recognized in the statement of comprehensive income.

(ii) Held-to-maturity

The directors have reviewed the Organization's held-to-maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the Organization's positive intention and ability to hold those assets to maturity.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Organization commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Interest on overdue financial assets is recognized as it accrues.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Organization has transferred substantially all risks and rewards of ownership.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

Financial assets

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Impairment of financial assets is recognised in the statement of comprehensive income under administrative expenses when there is objective evidence that the Organization will not be able to collect all amounts due per the original terms of the contract. Significant financial difficulties of the issuer, probability that the issuer will enter bankruptcy or financial reorganisation, default in payments and a prolonged declining fair value of the asset are considered indicators that the asset is impaired. Interest on overdue financial assets is recognised as it accrues.

The amount of the impairment loss is calculated as the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate.

Subsequent recoveries of amounts previously written off/impaired are credited to the income statement/statement of changes in equity in the year in which they occur.

Gains and losses on disposal of assets whose changes in fair value were initially recognised in the statement of comprehensive income are determined by reference to their carrying amount and are taken into account in determining operating loss. On disposal of assets whose changes in fair value were initially recognised in equity, the gains/losses are recognised in the reserve, where the fair values were initially recognised. Any resultant surplus/deficit after the transfer of the gains/losses are transferred to retained earnings.

Management classifies financial assets as follows:

Fixed deposits are classified as held to maturity as the Organization has the intention and ability to hold these to maturity. These are carried at amortised cost. Cash and cash equivalents, trade and other receivables and tax recoverable are classified as loan and advances, and are carried at amortised cost.

Management classify the fair values of financial assets based on the qualitative characteristics of the fair valuation as at the financial year end. The three hierarchy levels used by management are:

- **Level 1:** where fair values are based on non-adjusted quoted prices in active markets for identical financial assets.
- **Level 2:** where fair values are based on adjusted quoted prices and observable prices of similar financial assets.
- **Level 3:** where fair values are not based on observable market data.

Financial liabilities

The Organization's financial liabilities which include borrowing from related party and trade and other payables, fall into the following category:

- **Financial liabilities measured at amortized cost:** These include non interest borrowings from related party and trade and other payables. These are initially measured at fair value and subsequently measured at amortized cost, using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in profit or loss under finance costs under the effective interest rate method.

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the statement of comprehensive income under finance costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

Financial liabilities (continued)

Fees associated with the acquisition of borrowing facilities are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the facilities will be acquired. In this case the fees are deferred until the draw down occurs. If it is not probable that some or all of the facilities will be acquired the fees are accounted for as prepayments under trade and other receivables and amortized over the period of the facility.

All financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Financial liabilities are derecognized when, and only when, the company's obligations are discharged, cancelled or expired.

Offsetting financial instruments

Revenue comprises the fair value of the consideration received from the donors, members and from performance of services in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

Impairment of non financial assets

Non-financial assets that are carried at amortised cost are reviewed at the end of each reporting period for any indication that an asset may be impaired. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less cost to sell and value in use.

i) Comparatives

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

i) Equipment

Equipment are initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using reducing balance method. The following annual rates are used for the depreciation of equipment:

Asset	Rate %
Land	0
Building	5
Motor vehicles	37.5
Motor cycles	12.5
Bicycle	12.5
Computers	37.5
Furniture and Fittings	12.5

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of assets are determined by comparing the proceeds with the carrying amount and are taken into account in determining profit before tax.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Deferred income

Deferred income represents the funds received from donors but not utilized by the end of reporting period and carried forward to the next period.

k) Provision for liabilities and charges

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

Revenue comprises the fair value of the consideration received from the donors, members and from performance of services in the ordinary course of business and is stated net of Value Added Tax (VAT),

l) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprises of cash in hand and in bank deposits held at call with banks and financial assets with maturity of less than 12 months, net of bank overdrafts (if any).

NOTES TO THE FINANCIAL STATEMENTS

	2018	2017
	TZS	TZS
1 Local contributions		
Membership fees	8,500,000	8,250,000
Mileage	27,852,000	57,071,100
Bank Interest earned	68,715	55,422
Institutional Fees	13,446,142	4,011,065
Gift Aid and Donation	1,595,992	280,415
Voluntary contribution	500,000	1,170,000
Level of effort	74,695,209	-
Other income	7,904,000	6,606,600
	134,562,057	77,444,602
2 Income/Grants		
Grant income from donors		
- USAID Tanzania	292,076,840	1,385,476,439
- BFTW Grants	257,659,101	325,072,269
- Grants from other donors(SDC via TOAM)	40,000,000	23,387,977
- USDA Grants	183,600,000	-
Bank interest	226,643	249,130
	773,562,584	1,734,185,815
3 Personnel costs		
Staff salaries	278,734,210	-
NSSF Contributions	25,683,420	-
LAPF Contributions	2,190,000	-
Gratuity	27,648,420	-
Medical Insurance	18,945,028	-
Recruitment	605,000	-
Worker's Compensation Fund	2,782,842	-
	356,588,920	388,390,307
4 Program Cost		
(i) Networking & Collaboration		
Networking	49,154,697	-
Leaning visit	18,608,300	-
	67,762,997	89,417,814
(ii) Advocacy		
Policy dialogue	72,996,230	-
Policy Engagement	11,260,000	-
	84,256,230	144,189,600
(iii) Communication & Public Engagement		
Website & Branding	12,524,600	-
Documentation of achievements & experiences	6,379,260	-
Media engagement	8,287,500	-
Communication infrastructure	3,261,500	-
	30,452,860	42,300,830

NOTES TO THE FINANCIAL STATEMENTS

	2018 TZS	2017 TZS
4 Program Cost (continued)		
(iv) Capacity Building		
Seminars and workshops/Trainings	-	727,212,809
Strengthen Members' Capacity	57,897,201	-
Strengthen Farmers' Capacity	72,450,700	-
	130,347,901	727,212,809
(v) Monitoring, Evaluation & Learning		
Routine MEL	35,676,000	-
Work plan Development	12,020,000	-
Reflection Meeting	6,588,000	-
	54,284,000	143,203,393
Total Program Cost	367,103,987	1,146,324,446
5 Institutional Development		
Resource mobilization	6,261,558	-
Organizational Development	2,918,000	-
Annual General Meeting	6,905,000	-
Board meeting	9,471,460	-
	25,556,018	10,731,614
6 Other Administrative expenses		
Rent (Office)	10,200,000	10,200,000
Stationery and supplies	1,670,500	6,944,508
Office Consumables & supplies	3,243,000	-
Telecommunication	5,935,700	9,585,213
Financial Cost	2,495,111	2,489,625
Office Cleanliness	3,704,000	-
Repair & Maintenance	5,095,000	12,814,500
Accessories	976,500	120,000
Utility	1,279,700	1,681,000
Office Security	6,480,000	-
Volunteers/Interns	2,800,000	-
Dues & Subscriptions	150,000	5,329,255
Administrative Travel	7,358,300	8,011,500
Internet	2,430,000	-
Postage and Delivery	693,500	-
Fire and Safety	355,000	-
Legal fees (Annual NGO Fee)	50,000	50,000
Vehicle Maintenance	6,350,707	-
Vehicle Fuel	7,881,585	33,969,047
Sub total	69,148,603	91,194,648

NOTES TO THE FINANCIAL STATEMENTS

	2018 TZS	2017 TZS
6 Other Administrative expenses (continued)		
Vehicle Insurance	7,000,765	7,355,193
Depreciation	22,260,201	31,012,288
Bad debts	-	2,752,000
Cost Share	7,384,000	24,742,431
Financial Audit	-	17,933,600
Assistance to Individual & PPP	100,000	-
Charitable contributions	100,000	-
Condolences	1,530,000	-
Audit fee	8,635,712	2,250,000
Sub total	47,010,678	86,045,512
Total other administrative expenses	116,159,281	177,240,160

7 Trade and other receivables

Membership fees	8,720,000	6,300,000
Inter project advances	4,055,120	750,025
Prepayments	5,200,000	5,250,000
Sub grantee advance	-	210,871
Other receivables	-	100
	17,975,120	12,510,996

The carrying amounts of the Organization's trade and other receivables are denominated in Tanzania Shillings.

In the opinion of the directors, the carrying amounts of trade and other receivables approximate to their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The

8 Cash and cash equivalents

Cash in hand	220,939	337,921
Cash at bank	387,567,597	298,004,361
	387,788,536	298,342,282

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the above.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

Revenue comprises the fair value of the consideration received from Tanzania Shillings	-	-
	387,788,536	298,342,282
	387,788,536	298,342,282

The Organization is not exposed to credit risk on bank balances as these are held with a sound financial institution.

Participatory Ecological Land Use Management (PELUM Tanzania)
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For the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

9 Property and equipment

PARTICULARS	LAND TZS	VEHICLES TZS	COMPUTER TZS	FURNITURE & FITTINGS TZS	TOTAL TZS
Year ended 31 December 2018					
Cost					
At start of the year	18,186,800	176,282,309	82,306,260	27,721,681	304,497,050
Adjustments	2,673,200	-	(1,373,962)	(169,760)	1,129,478
Additions	-	-	-	750,000	750,000
At end of the year	20,860,000	176,282,309	80,932,298	28,301,921	306,376,528
Depreciation					
At start of the year	-	140,155,324	48,603,852	11,219,085	199,978,261
Adjustments	-	-	4,177,364	(242,715)	3,934,649
Charge during the year	-	11,360,078	8,592,049	2,308,074	22,260,201
At end of the year	-	151,515,402	61,373,265	13,284,444	226,173,111
Net book value	20,860,000	24,766,907	19,559,033	15,017,477	80,203,417
Year ended 31 December 2017					
Cost					
At start of the year	18,186,800	176,282,309	73,697,738	24,818,356	292,985,203
Adjustments	-	-	-	-	-
Additions	-	-	8,608,522	2,903,325	11,511,847
At end of the year	18,186,800	176,282,309	82,306,260	27,721,681	304,497,050
Depreciation					
At start of the year	-	121,979,199	37,775,069	9,211,705	168,965,973
Adjustments	-	-	-	-	-
Charge during the year	-	18,176,125	10,828,783	2,007,380	31,012,288
At end of the year	-	140,155,324	48,603,852	11,219,085	199,978,261
Net book value	18,186,800	36,126,985	33,702,408	16,502,596	104,518,789

In the opinion of directors, there is no impairment in the value of equipment.

NOTES TO THE FINANCIAL STATEMENTS

	2018	2017
	TZS	TZS
10 Trade and other payables		
Taxes	-	5,698,697
Staff Payables	275	750,275
Telephone, communication and internet	438,700	582,300
Electricity and Water	-	43,600
Short term Liability and Deposit	-	175,408
Staff Imprest	-	2,540
Audit fee	2,735,712	2,250,000
Other payables	378,000	-
Refundable deposit payable	10	-
Payable to USAID (refund)	55,119,551	-
	58,672,248	9,502,820

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair value.

The carrying amounts of trade and other payables are denominated in the following currencies:

Tanzania Shillings	58,672,248	9,502,820
US Dollars	-	-
	58,672,248	9,502,820

11 Cash flow from operating activities

Surplus/(Deficit) for the year	42,716,435	88,943,890
Adjustment for non Cash items:		
Depreciation	22,260,201	31,012,288
Prior year adjustments	3,045,086	(15,219,066)
Change of net assets	2,805,196	-
Capital changes	70,826,919	104,737,112
Working capital changes:		
Increase/Decrease in trade and receivables	(5,464,124)	4,505,991
Increase/Decrease in trade and payables	49,169,428	(59,016,496)
	114,532,223	50,226,607

12 Share capital

PELUM - Tanzania registered as Non-Governmental Organisation, under NGO ACT Section 11(3) of Act no. 24 of 2002. Thus, PELUM -Tanzania does not have a share capital.

PARTICIPATORY ECOLOGICAL LAND USE MANAGEMENT

(PELUM TANZANIA)

INDIVIDUAL PROJECTS FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

PROJECT STATEMENT OF COMPREHENSIVE INCOME FOR PELUM TANZANIA

	Notes	2018 TShs	2017 TShs
Income			
Local contributions	1	127,178,057	70,838,002
Total income		127,178,057	70,838,002
Expenditures			
Personnel costs	2	34,932,700	221,584
Program Cost	3	14,742,700	-
Institutional Development	4	5,179,558	10,176,149
Other administration expenses	5	41,998,829	44,314,600
Total expenditure		96,853,788	54,712,333
Surplus for the year		30,324,270	16,125,669
Prior year Adjustment		6,470,093	(13,074,905)
		36,794,363	3,050,764
Surplus/Deficit brought forward		63,690,181	(395,983,811)
Understated surplus		-	456,623,228
Transfer from Seed Sovereignty		18,616,278	-
Surplus/Deficit		119,100,822	63,690,181

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 30 to 33 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

STATEMENT OF FINANCIAL POSITION FOR THE PROJECT FOR PELUM TANZANIA

ASSETS	Notes	2018 TZS	2017 TZS
Non - Current Assets			
Property and Equipment	7	50,998,306	40,835,400
Total Non - Current Assets		50,998,306	40,835,400
Current Assets			
Trade and Other Receivables	6	8,820,200	7,200,000
Cash and Cash Equivalents	8	94,110,058	79,738,883
Total Current Assets		102,930,258	86,938,883
TOTAL ASSETS		153,928,563	127,774,283
EQUITY AND LIABILITIES			
Capital Grant		8,959,321	16,388,559
Reserves		119,100,822	63,690,181
Total Equity		128,060,143	80,078,740
Long Term Liabilities	10	22,754,434	39,571,164
Total Non-Current Liabilities		22,754,434	39,571,164
CURRENT LIABILITIES			
Trade and Other Payables	9	3,113,987	8,124,379
Total Current Liabilities		3,113,987	8,124,379
TOTAL EQUITY AND LIABILITIES		153,928,563	127,774,283

The financial statements on pages 27 to 33 were authorised and approved for issue by the Board of Directors on 10/7/2019 and were signed on its behalf by:

Name	Designation	Signature	Date
Victor Yobu El-Nshau	Chairperson		<u>12/07/2019</u>
Donati Alex Senzia	Secretary/Country Coordinator		<u>12/7/2019</u>

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 30 to 33 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

PROJECT STATEMENT OF CASH FLOWS FOR PELUM TANZANIA			
	Notes	2018 TZS	2017 TZS
Cash flow from operating activities			
Cash generated in operations	11	22,550,413	9,338,106
Tax paid		-	-
Net cash flow from operating activities		22,550,413	9,338,106
Cash flow from investing activities:			
Acquisition of non current assets		(750,000)	-
Adjustment for Long term Liabilities		-	-
Net Cash flow from Investing activities		(750,000)	-
Cash flow from financing Activities:			
Capital Grants		(7,429,238)	-
Capital Fund		-	-
Net Cash flow from financing Activities		(7,429,238)	-
Net Increase/Decrease in Cash and Cash Equivalents		14,371,175	9,338,106
Cash and Cash Equivalents at the Start of the year		79,738,883	70,400,777
Cash and Cash Equivalents at the end of the year		94,110,058	79,738,883

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 30 to 33 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

Participatory Ecological Land Use Management (PELUM Tanzania)
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NOTES TO THE FINANCIAL STATEMENTS FOR PELUM TANZANIA

	2018	2017
	TZS	TZS
1 Local contributions		
Membership fee	8,500,000	8,250,000
Mileage Income	27,852,000	57,071,100
Bank Interest earned	68,715	55,422
Institutional income	13,446,142	4,011,065
Gift Aid and Donation (Chemonics)	1,595,992	280,415
Voluntary contribution	500,000	1,170,000
Level of effort	74,695,209	-
Other income	520,000	-
	127,178,057	70,838,002
2 Personnel costs		
Staff salaries	28,370,000	221,584
NSSF employer's expense	2,837,000	
LAPF employer's expense	-	
Gratuity expense	2,837,000	
Medical expenses	-	
Recruitment	605,000	
Worker's compensation fund	283,700	
	34,932,700	221,584
3 Program Cost		
(i) Monitoring, Evaluation & Learning		
Work plan Development	480,000	-
	480,000	-
(ii) Networking & Collaboration		
Networking	7,823,440	-
	7,823,440	-
(iii) Capacity Building		
Strengthen Farmers' Capacity	1,210,000	-
	1,210,000	-
(iv) Communication & Public Engagement		
Documentation of achievements & experiences	253,260	-
Website & Branding	4,976,000	-
	5,229,260	-
Total program Cost	14,742,700	-
4 Institutional Development		
Resource mobilization	2,261,558	-
Organizational Development	2,918,000	10,176,149
	5,179,558	10,176,149

Participatory Ecological Land Use Management (PELUM Tanzania)
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NOTES TO THE FINANCIAL STATEMENTS FOR PELUM TANZANIA (CONTINUED)

	2018	2017
	TZS	TZS
5 Other administration expenses		
Administrative Travel	2,143,000	-
Program Cost	-	4,610,000
Telecommunication	995,000	-
Postage and Delivery	169,200	-
Stationery and supplies	147,000	-
Office Consumables & supplies	1,655,500	-
Financial Cost	647,279	636,407
Utility	360,000	-
Repair & Maintenance	125,000	-
Accessories	520,000	-
Vehicle Maintained	1,599,000	-
Vehicle Fuel	7,431,555	-
Vehicle Insurance	3,094,000	-
Dues & Subscriptions	150,000	-
Legal fees (Annual NGO Fee)	50,000	-
Fire and Safety	130,000	-
Office Cleanliness	337,500	-
Volunteers/Interns	700,000	-
Depreciation	9,895,083	-
Cost share	7,384,000	39,068,193
Audit fee	2,735,712	-
Assistance to Individual & PPP	100,000	-
Charitable contributions	100,000	-
Condolences expenses	1,530,000	-
	41,998,829	44,314,600
6 Trade and other receivables		
Sundry Receivables	8,720,000	6,300,000
Loan receivable	200	750,000
Prepaid: Rent, NGO fees & Water bill	100,000	150,000
	8,820,200	7,200,000

*Participatory Ecological Land Use Management (PELUM Tanzania)
Annual Report and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS FOR PELUM TANZANIA (CONTINUED)

7 EQUIPMENT

	LAND TZS	VEHICLES TZS	COMPUTER TZS	FURNITURE & FITTERINGS TZS	TOTAL TZS
Year ended 31 December 2018					
Cost					
At start of the year	18,186,800	58,334,460	29,363,543	8,562,840	114,447,643
Transfer from BfW	-	69,248,192	-	-	69,248,192
Adjustments	2,673,200	-	6,658,029	(169,759)	9,161,470
Additions	-	-	-	750,000	750,000
At end of the year	20,860,000	127,582,652	36,021,572	9,143,081	193,607,305
Depreciation					
At start of the year	-	52,501,014	16,155,598	4,955,631	73,612,243
Transfer from BfW	-	52,025,329	-	-	52,025,329
Adjustments	-	-	7,319,082	(242,738)	7,076,344
Charge during the year	-	6,458,574	2,733,719	702,790	9,895,083
At end of the year	-	110,984,917	26,208,399	5,415,683	142,608,999
Net book value	20,860,000	16,597,735	9,813,173	3,727,398	50,998,306
Year ended 31 December 2017					
Cost					
At start of the year	18,186,800	58,334,460	29,363,543	8,562,840	114,447,643
Adjustments	-	-	-	-	-
Additions	-	-	-	-	-
At end of the year	18,186,800	58,334,460	29,363,543	8,562,840	114,447,643
Depreciation					
At start of the year	-	52,501,014	16,155,598	4,955,631	73,612,243
Adjustments	-	-	-	-	-
Charge during the year	-	-	-	-	-
At end of the year	-	52,501,014	16,155,598	4,955,631	73,612,243
Net book value	18,186,800	5,833,446	13,207,945	3,607,209	40,835,400

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NOTES TO THE FINANCIAL STATEMENTS FOR PELUM TANZANIA (CONTINUED)

	2018	2017
	TZS	TZS
8 Cash and cash equivalents		
Cash in hand	2,968	64,483
Cash at bank	94,107,089	79,674,400
	94,110,058	79,738,883
9 Trade and other payables		
Staff Payables	275	275
Short term Liability	-	175,408
Audit fee	2,735,712	-
Other payables	378,000	-
PAYE Payables	-	5,698,696
Gratuity payable	-	2,250,000
	3,113,987	8,124,379
10 Long term liabilities		
Gratuity Payables	22,754,434	39,388,436
Revolving Fund	-	182,728
	22,754,434	39,571,164
11 Cash flow from operating activities		
Surplus/(Deficit) for the year	30,324,270	16,125,669
Adjustment for non Cash items:		
Depreciation	9,895,083	956,734
Prior year adjustment	6,470,093	(13,074,905)
Understated Surplus	-	-
Change of net assets	-	-
Net cash flow from operating activities before working	46,689,446	4,007,498
Working Capital changes:		
Increase/(Decrease) in Receivables	(2,311,911)	(116,843)
Increase/(Decrease) in Long Term Liabilities	(16,816,730)	3,530,800
Increase/(Decrease) in Payables	(5,010,392)	1,916,651
Net cash flow from operating activities	22,550,413	9,338,106

STATEMENT OF COMPREHENSIVE INCOME FOR CEGO PROJECT

	Notes	2018 TShs	2017 TShs
Income			
Grant income	1	292,303,483	1,385,725,569
Total income		292,303,483	1,385,725,569
Expenditures			
Personnel costs	2	164,087,236	322,564,723
Program cost	3	193,722,240	977,054,862
Other administrative expenses	4	33,988,475	81,909,731
Total expenditure		391,797,950	1,381,529,316
Surplus for the year		(99,494,467)	4,196,253
Surplus of the year			
Prior year Adjustment		(3,464,882)	(2,144,186)
		(102,959,349)	2,052,067
Surplus/Deficit brought forward		133,162,454	183,644,074
Over/Understated surplus		-	(52,533,687)
Transfer from Seed Sovereignty		-	-
Surplus/Deficit		30,203,105	133,162,454

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 37 to 40 form an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION FOR CEGO PROJECT

ASSETS	Notes	2018 TZS	2017 TZS
Non - Current Assets			
Property and equipment	6	29,205,111	45,067,111
Total Non - Current Assets		29,205,111	45,067,111
Current Assets			
Trade and other receivables	5	-	5,310,896
Cash and cash equivalents	7	56,117,545	84,056,988
Total Current Assets		56,117,545	89,367,884
TOTAL ASSETS		85,322,656	134,434,995
EQUITY AND LIABILITIES			
Capital Grant		-	-
Reserves		30,203,105	133,162,454
Total Equity		30,203,105	133,162,454
Long Term Liabilities		-	-
Total Non-Current Liabilities		-	-
CURRENT LIABILITIES			
Trade and Other Payables	8	55,119,551	1,272,541
Total Current Liabilities		55,119,551	1,272,541
TOTAL EQUITY AND LIABILITIES		85,322,656	134,434,995

The financial statements on pages 34 to 40 were authorised and approved for issue by the Board of Directors on 10/7/2019 and were signed on its behalf by:

Name	Designation	Signature	Date
Victor Yobu El-Nshau	Chairperson		12/07/2019
Donati Alex Senzia	Secretary/Country Coordinator		12/7/2019

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 37 to 40 form an integral part of these financial statements.

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PROJECT STATEMENT OF CASH FLOWS FOR CEGO PROJECT

	2018 TZS	2017 TZS
Cash flow from operating activities		
Cash generated in operations	(27,939,443)	23,669,651
Tax paid	-	-
Net cash flow from operating activities	(27,939,443)	23,669,651
Cash flow from investing activities:		
Adjustment for Long term Liabilities	-	-
Net Cash flow from Investing activities	-	-
Cash flow from financing Activities:		
Capital Grants	-	-
Capital Fund	-	-
Net Cash flow from financing Activities	-	-
Net Increase/Decrease in Cash and Cash Equivalents	(27,939,443)	23,669,651
Cash and Cash Equivalents at the Start of the year	84,056,988	60,387,337
Cash and Cash Equivalents at the end of the year	56,117,545	84,056,988

The accounting policies on pages 15 to 21 and notes to the financial statements on pages 37 to 40 form an integral part of these financial statements.

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	2018 TZS	2017 TZS
1 Income/Grants		
Grant income from donors (USAID)	292,076,840	1,385,476,439
Bank interest	226,643	249,130
	292,303,483	1,385,725,569
2 Personnel costs		
Staff salaries	128,492,447	243,533,052
NSSF employer's expense	10,659,244	17,182,746
LAPF employer's expense	2,190,000	8,560,000
Gratuity expense	12,849,244	24,353,304
Medical Expenses	8,611,376	26,533,291
Worker's Compensation Fund	1,284,924	2,402,330
	164,087,236	322,564,723
3 Program cost		
(i) Monitoring, Evaluation & Learning		
Annual general meeting	170,000	-
Board meeting	3,811,360	11,264,200
Routine MEL	25,727,000	18,048,889
Planning and reporting	-	32,345,504
Operationalize M and E	-	14,867,500
Monitoring Sub grantees	-	2,884,800
Participatory VLUP	-	727,212,809
	29,708,360	806,623,702
(ii) Networking & Collaboration		
Leaning visit	11,691,500	-
	11,691,500	-
(iii) Capacity Building		
Strengthen Members' Capacity	504,000	-
Strengthen Farmers' Capacity	71,240,700	-
	71,744,700	-
(iii) Capacity Building		
Policy dialogue	72,996,230	119,322,600
Advocacy intervention	170,000	-
	73,166,230	119,322,600
(iv) Educational materials/IEC		
Documentation	6,126,000	-
Media	1,285,450	-
Communication infrastructure	-	34,598,230
Networking, Education and Information	-	16,510,330
	7,411,450	51,108,560
	193,722,240	977,054,862

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NOTES TO THE FINANCIAL STATEMENTS FOR CEGO PROJECT (CONTINUED)

	2018	2017
	TZS	TZS
4 Other administration expenses		
Administrative Travel	1,381,500	6,459,000
Telecommunication	4,154,300	6,365,000
Postage and Delivery	64,000	-
Stationery and supplies	90,000	5,708,008
Financial Cost	152,664	173,198
Utilities	313,500	590,200
Repair & Maintenance	2,715,000	5,695,000
Accessories	456,500	120,000
Office rent	5,100,000	6,500,000
Interest expense	-	27,135
Vehicle Maintained	2,845,495	7,465,520
Vehicle Fuel	-	-
Vehicle Insurance	970,398	2,993,986
Office Cleanliness	1,240,000	2,100,000
Volunteers/Interns	700,000	1,700,000
Security Expense	1,440,000	5,040,000
Stamp Duty	-	102,000
Depreciation	12,365,118	18,247,084
Audit fee	-	12,623,600
	33,988,475	81,909,731
5 Trade and other receivables		
Prepaid rent	-	5,100,000
Staff imprest	-	25
TAGRODE Advance	-	97,541
UMADEP Advance	-	113,330
	-	5,310,896

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NOTES TO THE FINANCIAL STATEMENTS FOR CEGO PROJECT (CONTINUED)

6 Equipment's

	VEHICLES	COMPUTER	FURNITURE & FITTINGS	TOTAL
	TZS	TZS	TZS	TZS
Year ended 31 December 2018				
Cost				
At start of the year	48,699,657	44,892,717	19,158,841	112,751,215
Adjustments		18,009		18,009
Additions	-	-	-	-
At end of the year	48,699,657	44,910,726	19,158,841	112,769,224
Depreciation				
At start of the year	35,628,981	25,791,669	6,263,454	67,684,104
Adjustments	-	3,514,867	24	3,514,891
Charge during the year	4,901,504	5,858,330	1,605,284	12,365,118
At end of the year	40,530,485	35,164,866	7,868,762	83,564,113
Net book value	8,169,172	9,745,860	11,290,079	29,205,111
Year ended 31 December 2017				
Cost				
At start of the year	48,699,657	44,892,717	19,158,841	112,751,215
Additions	-	-	-	-
At end of the year	48,699,657	44,892,717	19,158,841	112,751,215
Depreciation				
At start of the year	35,628,981	25,791,669	6,263,454	67,684,104
Charge during the year				-
At end of the year	35,628,981	25,791,669	6,263,454	67,684,104
Net book value	13,070,676	19,101,048	12,895,387	45,067,111

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NOTES TO THE FINANCIAL STATEMENTS FOR CEGO PROJECT (CONTINUED)

	2018	2017
	TZS	TZS
7 CASH AND CASH EQUIVALENTS		
Cash in hand	(0)	177,117
Cash at bank	56,117,545	83,879,871
	56,117,545	84,056,988
8 TRADE AND OTHER PAYABLES		
Payable to USAID (refund)	55,119,551	-
Trade and Other Payables	-	1,272,541
	55,119,551	1,272,541
9 Cash flow from operating activities		
Surplus/(Deficit) for the year	(99,494,467)	4,196,253
Adjustment for non Cash items:		
Depreciation	12,365,118	18,247,084
Prior year adjustment	32,000	(2,144,186)
Understated Surplus	-	-
Change of net assets	-	-
Net cash flow from operating activities before working	(87,097,349)	20,299,151
Working Capital changes:		
Increase/(Decrease) in Receivables	5,310,896	2,625,299
Increase/(Decrease) in Long Term Liabilities	-	-
Increase/(Decrease) in Payables	53,847,010	745,201
Net cash flow from operating activities	(27,939,443)	23,669,651

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STATEMENT OF COMPREHENSIVE INCOME FOR BftW PROJECT

	Notes	2018 TZS	2017 TZS
Income			
Local contributions	1	7,384,000	6,606,600
Grant income	2	257,659,101	325,072,269
Total income		265,043,101	331,678,869
Expenditures			
Personnel costs	3	111,419,584	64,324,000
Program cost	4	107,410,707	154,927,584
Other administrative expenses	5	38,470,057	59,356,659
Total expenditure		257,300,348	278,608,243
Surplus for the year		7,742,753	53,070,626
Surplus of the year		-	-
Prior year adjustment		7,742,753	53,070,626
Surplus/Deficit brought forward		94,889,396	107,308,592
Understated surplus		40,000	-
Overstated reserve		-	(46,873,444)
Surplus/Deficit		102,672,149	113,505,774

The accounting policies on pages 15 to 20 and notes to the financial statements on pages 44 to 46 form an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION FOR BftW PROJECT

ASSETS	Notes	2018 TZS	2017 TZS
Non - Current Assets			
Property and Equipment		-	18,616,278
Total Non - Current Assets		-	18,616,278
Current Assets			
Trade and Other Receivables	6	9,154,920	100
Cash and Cash Equivalents	7	93,427,228	94,995,296
Total Current Assets		102,582,148	94,995,396
TOTAL ASSETS		102,582,148	113,611,674
EQUITY AND LIABILITIES			
Capital Grant		-	-
Reserves		102,672,148	113,505,774
Total Equity		102,672,148	113,505,774
Long Term Liabilities		(90,000)	-
Total Non-Current Liabilities		(90,000)	-
CURRENT LIABILITIES			
Trade and Other Payables	8	-	105,900
Total Current Liabilities		-	105,900
TOTAL EQUITY AND LIABILITIES		102,582,148	113,611,674

The financial statements on pages 41 to 46 were authorised and approved for issue by the Board of Directors on 10/7/2019 and were signed on its behalf by:

Name	Designation	Signature	Date
Victor Yobu El-Nshau	Chairperson		<u>12/07/2019</u>
Donati Alex Senzia	Secretary/Country Coordinator		<u>12/7/2019</u>

The accounting policies on pages 15 to 20 and notes to the financial statements on pages 44 to 46 form an integral part of these financial statements.

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PROJECT STATEMENT OF CASH FLOWS FOR BftW PROJECT

		2018 TZS	2018 TZS
Cash flow from operating activities	Notes		
Cash generated in operations	9	(1,568,068)	66,959,996
Tax paid		-	-
Net cash flow from operating activities		(1,568,068)	66,959,996
Cash flow from investing activities:			
Acquisition of Property and Equipment		-	-
Net Cash flow from Investing activities		-	-
Cash flow from financing Activities:			
Deferred revenue		-	(61,761,688)
Long term liabilities		-	(9,999)
Net Cash flow from financing Activities		-	(61,771,687)
Net Increase/Decrease in Cash and Cash Equivalents		(1,568,068)	5,188,309
Cash and Cash Equivalents at the Start of the year		94,995,296	89,806,987
Cash and Cash Equivalents at the end of the year		93,427,228	94,995,296

The accounting policies on pages 15 to 20 and notes to the financial statements on pages 44 to 46 form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR BftW PROJECTS

	2018 TZS	2017 TZS
1 Local contributions		
Other income	7,384,000	6,606,600
	7,384,000	6,606,600
2 Income/Grants		
Grant income from donors (BftW) for:		
- Our seeds our rights	257,659,101	140,734,210
- Seeds Sovereignty for Food and Income Security in Tanzania	-	184,338,059
	257,659,101	325,072,269
3 Personnel costs		
Staff salaries	83,731,763	48,950,000
NSSF employer's expense	8,373,176	3,905,000
LAPF Contribution	-	390,000
Gratuity expense	8,148,176	4,295,000
WCF Contribution	832,818	204,000
Medical Expenses	10,333,652	6,580,000
	111,419,584	64,324,000
4 Program Cost		
(i) Monitoring, Evaluation & Learning		
Annual general meeting	6,735,000	-
Board meeting	5,660,100	-
Routine MEL	8,915,000	-
	21,310,100	54,581,000
(ii) Networking & Collaboration		
Networking	9,877,557	-
Leaning visit	6,916,800	-
	16,794,357	53,818,264
(iii) Capacity Building		
Strengthen Members' Capacity	47,320,201	-
	47,320,201	-
(iv) Advocacy		
Policy Engagement	11,090,000	-
Advocacy/Farmers seed rights	-	24,867,000
Governance	-	3,035,500
	11,090,000	27,902,500
(v) Communication & Public Engagement		
Media engagement	7,002,050	-
Information, education and communication	-	12,675,500
Website & Branding	3,894,000	5,950,320
	10,896,050	18,625,820
	107,410,707	154,927,584

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NOTES TO THE FINANCIAL STATEMENTS FOR BfW PROJECT (CONTINUED)

	2018 TZS	2018 TZS
5 Other administrative expenses		
Travel expenses	-	170,000
Transport and per diem	2,731,000	-
Computer and Internet	-	2,051,900
Telecommunication	3,366,400	84,115
Postage and Delivery	460,300	869,277
Motor vehicle expenses	-	10,759,456
Office Consumables & supplies	1,587,500	2,226,500
Stationery and supplies	1,433,500	1,134,500
Financial Cost	1,432,648	1,458,850
Utilities	579,600	318,900
Office rent	5,100,000	3,700,000
Repair & Maintenance	2,255,000	6,012,500
Vehicle Maintained	1,786,212	-
Vehicle Fuel	450,030	640,191
Vehicle Insurance	2,936,367	-
Electricity	-	201,900
Legal fees	225,000	-
Office Cleanliness	1,786,500	1,495,100
Volunteers/Interns	1,400,000	1,340,000
Office Security	5,040,000	3,600,000
Cost Share	-	4,810,000
Recruitment expenses	-	1,280,000
Miscellaneous costs	-	85,000
Depreciation	-	11,808,470
Audit fee	5,900,000	5,310,000
	38,470,057	59,356,659
6 TRADE AND OTHER RECEIVABLES		
Loan receivable	4,054,920	100
Prepaid: Rent, NGO fees & Water bill	5,100,000	-
	9,154,920	100
7 CASH AND CASH EQUIVALENTS		
Cash in hand	77,350	62,800
Cash at bank	93,349,878	94,932,496
	93,427,228	94,995,296

NOTES TO THE FINANCIAL STATEMENTS FOR BftW PROJECT

	2018	2017
8 TRADE AND OTHER PAYABLES		
Water Bill	-	43,600
Telephone bill	-	62,300
	<u>-</u>	<u>105,900</u>
9 Cash flow from operating activities		
Surplus/(Deficit) for the year	7,742,753	53,070,626
Adjustment for non Cash items:		
Depreciation	-	11,808,470
Prior year adjustment	-	-
Understated Surplus	40,000	-
Change of net assets	-	-
Net cash flow from operating activities before working	7,782,753	64,879,096
Working Capital changes:		
Increase/(Decrease) in Receivables	(9,154,820)	1,999,900
Increase/(Decrease) in Long Term Liabilities	(90,000)	
Increase/(Decrease) in Payables	(106,001)	81,000
Net cash flow from operating activities	(1,568,068)	66,959,996

STATEMENT OF COMPREHENSIVE INCOME FOR EOA PROJERCT

Income	Notes	2018 TShs	2017 TShs
Grant income	1	40,000,000	23,387,977
Total income		40,000,000	23,387,977
Expenditures			
Program Cost	2	55,074,800	4,922,000
Institutional Development	3	4,000,000	2,113,465
Other Administrative expenses	4	252,520	801,170
Total expenditure		59,327,320	7,836,635
Surplus for the year		(19,327,320)	15,551,342
Surplus of the year			
Prior year Adjustment			
		-	-
		(19,327,320)	15,551,342
Surplus/Deficit brought forward		39,551,115	23,999,773
Understated surplus		20	-
Transfer from Seed Sovereignty		-	-
Surplus/Deficit		20,223,815	39,551,115

The accounting policies on pages 15 to 20 and notes to the financial statements on page 50 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

STATEMENT OF FINANCIAL POSITION FOR EOA PROJERCT

ASSETS	Notes	2018 TZS	2017 TZS
Non - Current Assets			
Property and Equipment		-	-
Total Non - Current Assets		-	-
Current Assets			
Cash and Cash Equivalents	5	20,223,815	39,551,115
Total Current Assets		20,223,815	39,551,115
TOTAL ASSETS		20,223,815	39,551,115
EQUITY AND LIABILITIES			
Capital Grant		-	-
Reserves		20,223,815	39,551,115
Total Equity		20,223,815	39,551,115
Long Term Liabilities		-	-
Total Non-Current Liabilities		-	-
CURRENT LIABILITIES			
Trade and Other Payables	6	10	-
Total Current Liabilities		10	-
TOTAL EQUITY AND LIABILITIES		20,223,825	39,551,115

The financial statements on pages 47 to 50 were authorised and approved for issue by the Board of Directors on 10/7/2019 and were signed on its behalf by:

Name	Designation	Signature	Date
Victor Yobu El-Nshau	Chairperson		<u>12/07/2019</u>
Donati Alex Senzia	Secretary/Country Coordinator		<u>12/7/2019</u>

The accounting policies on pages 15 to 20 and notes to the financial statements on page 50 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

STATEMENT OF CASH FLOWS FOR EOA PROJERCT

	Notes	2018 TZS	2018 TZS
Cash flow from operating activities			
Cash generated in operations	7	(19,327,300)	15,551,342
Tax paid		-	-
Net cash flow from operating activities		(19,327,300)	15,551,342
Cash flow from investing activities:			
Adjustment for Long term Liabilities		-	-
Net Cash flow from Investing activities		-	-
Cash flow from financing Activities:			
Capital Grants		-	-
Capital Fund		-	-
Net Cash flow from financing Activities		-	-
Net Increase/Decrease in Cash and Cash Equivalents		(19,327,300)	15,551,342
Cash and Cash Equivalents at the Start of the year		39,551,115	23,999,773
Cash and Cash Equivalents at the end of the year		20,223,815	39,551,115

The accounting policies on pages 15 to 20 and notes to the financial statements on page 50 form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR EOA PROJERCT

	2018 TZS	2017 TZS
1 Income/Grants		
Grants from other donors(SDC via TOAM)	40,000,000	23,387,977
	40,000,000	23,387,977
2 Program Cost		
(i) Monitoring, Evaluation & Learning		
Routine MEL	7,622,000	1,366,000
	7,622,000	1,366,000
(ii) Capacity Building		
Strengthen Members' Capacity	10,073,000	-
	10,073,000	-
(iii) Networking & Collaboration		
Networking	30,463,700	-
	30,463,700	-
(iv) Communication & Public Engagement		
Media engagement	-	-
Website & Branding	3,654,600	3,556,000
Communication infrastructure	3,261,500	-
	6,916,100	3,556,000
	55,074,800	4,922,000
3 Institutional Development		
Resource mobilization	4,000,000	-
Organizational Development	-	2,113,465
	4,000,000	2,113,465
4 Other administrative expenses		
Administrative Travel	-	580,000
Financial Cost	252,520	221,170
	252,520	801,170
5 Cash and cash equivalents		
Cash in hand	18,531	33,521
Cash at bank	20,205,284	39,517,594
	20,223,815	39,551,115
6 Trade and other payables		
Refundable deposit payable	10	-
	10	-
7 Cash flow from operating activities		
Surplus/(Deficit) for the year	(19,327,290)	15,551,342
Adjustment for non Cash items:		
Depreciation	-	-
Net cash flow from operating activities before working	(19,327,290)	15,551,342
Working Capital changes:		
Increase/(Decrease) in Payables	(10)	-
Net cash flow from operating activities	(19,327,300)	15,551,342

STATEMENT OF COMPREHENSIVE INCOME FOR USDA PROJERCT

Income	Notes	2018 TShs	2017 TShs
Grant income	1	183,600,000	-
Total income		183,600,000	-
Expenditures			
Personnel costs	2	46,149,400	-
Program Cost	3	11,540,000	-
Other Administrative expenses	4	2,439,400	-
Total expenditure		60,128,800	-
Surplus for the year		123,471,200	-
Surplus of the year			
Prior year Adjustment		-	-
Surplus/Deficit brought forward		123,471,200	-
Understated surplus		-	-
Transfer from Seed Sovereignty		-	-
Surplus/Deficit		123,471,200	-

The accounting policies on pages 15 to 20 and notes to the financial statements on page 54 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

STATEMENT OF FINANCIAL POSITION FOR USDA PROJERCT

ASSETS	Notes	2018 TZS	2017 TZS
Non - Current Assets			
Property and Equipment		-	-
Total Non - Current Assets		-	-
Current Assets			
Cash and Cash Equivalents	5	123,909,900	-
Total Current Assets		123,909,900	-
TOTAL ASSETS		123,909,900	-
EQUITY AND LIABILITIES			
Capital Grant		-	-
Reserves		123,471,200	-
Total Equity		123,471,200	-
Long Term Liabilities		-	-
Total Non-Current Liabilities		-	-
CURRENT LIABILITIES			
Trade and Other Payables	6	438,700	-
Total Current Liabilities		438,700	-
TOTAL EQUITY AND LIABILITIES		123,909,900	-

The financial statements on pages 51 to 54 were authorised and approved for issue by the Board of Directors on 10/12/2019 and were signed on its behalf by:

Name	Designation	Signature	Date
Victor Yobu El-Nshau	Chairperson		<u>12/02/2019</u>
Donati Alex Senzia	Secretary/Country Coordinator		<u>12/7/2019</u>

The accounting policies on pages 15 to 20 and notes to the financial statements on page 54 form an integral part of these financial statements.

Report of the independent auditor - page 8 to 10

PROJECT STATEMENT OF CASH FLOWS FOR USDA PROJERCT

		2018 TZS	2017 TZS
Cash flow from operating activities	Notes		
Cash generated in operations	7	123,909,900	-
Tax paid		-	-
Net cash flow from operating activities		123,909,900	-
Cash flow from investing activities:			
Acquisition of Property and Equipment		-	-
Net Cash flow from Investing activities		-	-
Cash flow from financing Activities:			
Capital Grants		-	-
Capital Fund		-	-
Net Cash flow from financing Activities		-	-
Net Increase/Decrease in Cash and Cash Equivalents		123,909,900	-
Cash and Cash Equivalents at the Start of the year		-	-
Cash and Cash Equivalents at the end of the year		123,909,900	-

The accounting policies on pages 15 to 20 and notes to the financial statements on page 54 form an integral part of these financial statements.

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Participatory Ecological Land Use Management (PELUM Tanzania)
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NOTES TO THE FINANCIAL STATEMENTS FOR USDA PROJERCT

	2018 TZS	2017 TZS
1 Income/Grants		
Grant income from donors (USDA)	183,600,000	-
	183,600,000	-
2 Personnel costs		
Staff salaries	38,140,000	-
NSSF employer's expense	3,814,000	-
Gratuity expense	3,814,000	-
Worker's Compensation Fund	381,400	-
	46,149,400	-
3 Program Cost		
Monitoring, Evaluation & Learning		
Work plan Development	11,540,000	-
	11,540,000	-
4 Other administrative expenses		
Transport and per diem	1,102,800	-
Communication and internet	840,000	-
Postage and Delivery	-	-
Financial Cost	10,000	-
Utility	26,600	-
Vehicle Maintained	120,000	-
Office Cleanliness	340,000	-
	2,439,400	-
5 Cash and cash equivalents		
Cash in hand	122,100	-
Cash at bank	123,787,800	-
	123,909,900	-
6 Trade and other payables		
Telephone, communication and internet	438,700	-
	438,700	-
7 Cash flow from operating activities		
Surplus/(Deficit) for the year	123,471,200	-
Adjustment for non Cash items:		
Depreciation	-	-
Net cash flow from operating activities before working	123,471,200	-
Working Capital changes:		
Increase/(Decrease) in Payables	438,700	-
Net cash flow from operating activities	123,909,900	-

Participatory Ecological Land Use Management (PELUM Tanzania)
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APPENDIX 1

PELUM Tanzania Member Organizations by December 31, 2018

S/N	Organization
1	INADES Formation Tanzania
2	Laela Agricultural Centre
3	Mogabiri Farm Extension Centre (MFEC)
4	Integrated Rural Development Organization (IRDO)
5	Actions for Development Programme Mbozi (ADP Mbozi)
6	Isangati Agricultural Development Organization (IADO)
7	Buhemba Rural Agriculture Centre (BRAC)
8	Anglican Church of Tanzania Mara Diocesan Development Service
9	Uluguru Mountain Agricultural Development Project (UMADEP)
10	Caritas & Community Development Sumbawanga
11	Caritas & Development Office of Mbeya
12	MWAKAUMU
13	MVIWATA
14	Mwanza Rural Housing Programme
15	SAIPRO
16	Caritas Kigoma
17	Caritas Iringa
18	Tanzania Grass Roots Oriented Development (TAGRODE)
19	MIFIPRO Trust Fund
20	CHEMA
21	Faida Market Link Company Ltd
22	Research Community and Organizational Development Associates (RECODA)
23	Africa Inland Church Tanzania Diocese of Shinyanga
24	TUSHIRIKI
25	ACT - Diocese of Mount Kilimanjaro
26	Same/Mwanga Environmental Conservation Advisory Organization (SMECAO)
27	Kanisa la Mennonite Tanzania, Musoma
28	Kaengesa Environmental Conservation Society (KAESO)
29	ACT Diocese of Morogoro
30	Caritas Development Office, Mahenge
31	Morogoro Land Rights Network
32	International Aid Services Tanzania
33	Sanjaranda Bible College and Rural Development
34	Youth Empowerment Strategies in Developing Opportunities (YES I DO)
35	One World Sustainable Livelihood
36	Anglican Church of Tanzania – Diocese of Southern Highlands
37	Community Economic Empowerment and Legal Support
38	Islands of Peace