

TANZANIA PRISONERS HOPE FOUNDATION
FINANCIAL STATEMENTS
FOR THE PERIOD OF NINE MONTHS ENDED 31 DECEMBER 2022

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ORGANISATION'S INFORMATION

Board members

Names	Position
Odimary Rushita	Chairperson
Lucas Abrahamani Mwimo	Executive secretary
Mohamed Majengo Athuman	Member
Gloria Athumani Kitiku	Member
Nuruben Lameck Mtema	Member
Shida Athumani Kitiku	Member
Joseph Kijeruda	Member
Justine Lucas Mwimo	Member

Principal banker

CRDB BANK PLC
Kinyerezi Branch
Dar es salaam
Tanzania

Independent practitioner

Laghe Consult
Certified Public Accountant
P. O Box 33031
Dar es Salaam, Tanzania

Registered office

Kanga street, nearby, Kinyerezi ward
Ilala District
P. O BOX 20950
Dar es Salaam, Tanzania

REPORT OF THE BOARD MEMBERS

The Board submits their annual report together with the financial statements for the period of nine months ended 31 December 2022 which disclose the state of affairs of the organization.

PRINCIPAL ACTIVITY

The principal activity of the organization is to transform the prisoners' and ex-prisoners lives, socially, morally, and materially for their self-reliance.

COMPOSITION OF THE BOARD MEMBERS

The board members who held office during the period and at the date of this report are shown on page 1.

BOARD MEMBERS'S RESPONSIBILITY

The Board Members accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) Selecting and applying appropriate accounting policies; and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The Board Members is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization as at 31 December 2022 and of its surplus and cash flows for the period then ended.

RESULTS

Surplus

2022
T.SHS
9 months

907,317

SOLVENCY

The board members confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis. The board members have a reasonable expectation that Tanzania Prisoners Hope Foundation has adequate resources to continue in operational existence for the foreseeable future.

REPORT OF THE BOARD MEMBERS (CONTINUED)

RELATED PARTY BALANCES

As of 31 December 2022 the organization has no transactions with related parties.

EMPLOYEES' WELFARE

Management and employees' relationship

There was continued good relationship between employees and management for the period of nine months ended 31 December 2022. There were no unresolved complaints received by Management from the employees during the period. A healthy relationship continues to exist between management and employees.

The organization 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.

INDEPENDENT PRACTITIONER

The organization's independent practitioner, Laghe Consult have expressed their willingness to continue in office in accordance with the requirement of the Non-Governmental Organization Act, 2002. and are eligible for re-appointment.

BY ORDER OF THE BOARD

Chairman

_____ 2022

Executive secretary

_____ 2022

STATEMENT OF THE BOARD MEMBERS'S RESPONSIBILITIES

Tanzania Prisoners Hope Foundation's Constitution and Non-Governmental Organization Act, 2002 requires the Board Members to prepare financial statements for each financial period which give a true and fair view of the state of affairs of Tanzania Prisoners Hope Foundation as at the end of the financial period and of its surplus or deficit for that period. It also requires the board members to ensure that the society keeps proper accounting records that are sufficient to show and explain the transactions of the society; that disclose, with reasonable accuracy, the financial position of the organization and that enable them to prepare financial statements of the organization that comply with the IPSAS (International Public Sector Accounting Standards) and the requirements of the Non-Governmental Organization Act, 2002. The board members reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are prepared in accordance with the IPSAS (International Public Sector Accounting Standards) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board members acknowledge 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 board to meet these responsibilities, the board members set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include 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 endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board members are of the opinion, based on the information and explanations given by 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.

The board members have reviewed the organization's cash flow forecast for the period of nine months ended 31 December 2022 and in the light of this review and the current financial position, they are satisfied that the organization has or has access to adequate resources to continue in operational existence for the foreseeable future.

The board members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization as of 31 December 2022 and of its surplus and cash flows for the period then ended in accordance with the IPSAS (International Public Sector Accounting Standards) and the requirements of the Non-Governmental Organization Act, 2002.

Approved by the board members and signed on its behalf by:

.....
Chairperson

.....
Date

DECLARATION OF THE HEAD OF ACCOUNTING OF TANZANIA PRISONERS HOPE FOUNDATION

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board Members to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's 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 members under Board Members Responsibility statement on an earlier page.

I being the Head of Accounting of Tanzania Prisoners Hope Foundation hereby acknowledge my responsibility of ensuring that financial statements for the period of nine months ended 31 December 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by:

Position:

NBAA Membership No:

**PRACTIONER'S COMPILATION REPORT
TO THE MEMBERS OF TANZANIA PRISONERS HOPE FOUNDATION**

Report on the financial statements

We have compiled the accompanying financial statements of Tanzania Prisoners Hope Foundation based on information you have provided. These financial statements comprise the statement of financial position of Tanzania Prisoners Hope Foundation as at 31 December 2022, the statement of income or expenditure, statement of changes in accumulated fund and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

We performed this compilation engagement in accordance with International Standards on Related Services 4410 (revised), Compilation engagements.

The board members are responsible for maintaining the books of accounts that give a true and fair view in accordance with the IPSAS (International Public Sector Accounting Standards) and the requirements of the Non-Governmental Organization Act, 2002.

These financial statements and the accuracy, authenticity and completeness of the information used to compile them are board members's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with IPSAS (International Public Sector Accounting Standards)

We have obtained information and explanation which were necessary for the purpose of our compilation. However where adequate third party documentation were not available, and where accuracy, authenticity and completeness of the accounting records were not obtainable, we have accepted assurances from the management that the organization's transactions have been reflected correctly in the records provided to us.

**FOR : LAGHE CONSULT
CERTIFIED PUBLIC ACCOUNTANTS**

Signed by:

Date

Place : Dar es Salaam

STATEMENT OF INCOME AND EXPENDITURE

	<u>Notes</u>	2022 9 months T.SHS.
Incomes	1	6,608,500
Expenditures	2	<u>(5,701,183)</u>
Surplus of Incomes Over Expenditures		<u>907,317</u>

STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	<u>2022</u> <u>9 months</u> <u>T.SHS.</u>
ASSETS		
Non-Current Assets		
Equipment	4	634,375
		<u>634,375</u>
Current Assets		
Cash and cash equivalents	5	772,942
		<u>772,942</u>
Current Liabilities		
Accruals	6	500,000
		<u>272,942</u>
NET ASSETS		<u><u>907,317</u></u>
 ACCUMULATED FUNDS		
Accumulated fund brought forward		-
Surplus of incomes over expenditures		907,317
TOTAL ACCUMULATED FUNDS		<u><u>907,317</u></u>

We approve these accounts and confirm that we have made available relevant records, information and explanation for their preparation.

Chairman	_____	_____
Executive secretary	_____	_____

Tanzania Prisoners Hope Foundation
Financial statements
For the period of nine months ending 31 December 2022

STATEMENT OF ACCUMULATED FUND

	Accumulated Fund <u>T.SHS.</u>	Total <u>T.SHS.</u>
Period ended 31 December 2022		
As start of period	-	-
Excess of income over expenditure	<u>907,317</u>	<u>907,317</u>
At end of period	<u><u>907,317</u></u>	<u><u>907,317</u></u>

STATEMENT OF CASH FLOWS

	<u>Notes</u>	<u>2022</u> <u>T.SHS</u> <u>9 months</u>
Cash flows from operating activities		
Surplus for the year		907,317
Adjustment for:		
Depreciation	4	<u>65,625</u>
Surplus before changes in working capital		972,942
Changes in working capital		
Trade and other payable		<u>500,000</u>
Cash generated from operations		1,472,942
Tax paid for current year		<u>-</u>
Net cash generated from operating activities		<u>1,472,942</u>
Cash flows from investing activities		
Cash paid for purchase of equipment	4	<u>(700,000)</u>
Net cash used in investing activities		<u>(700,000)</u>
Cash flows from financing activities		
Proceed from members		<u>-</u>
Net cash generated from investing activities		<u>-</u>
Net increase in cash and cash equivalents		772,942
Cash and cash equivalents at start of year		<u>-</u>
Cash and cash equivalents at end of year	5	<u><u>772,942</u></u>

SIGNIFICANT ACCOUNTING POLICIES

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

1a) Basis of preparation

These financial statements have been prepared in accordance with IPSAS (International Public Sector Accounting Standards) and the requirements of the Non-Governmental Organization Act, 2002. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. These financial statements are presented in Tanzanian Shillings.

1b) Income recognition

Income comprises of donation received from various members and are recognised when they are received.

1c) Equipment

Equipment are tangible items that:

- i) Are held for use in the supply of services and for administrative purpose.
- ii) Are expected to be used for more than one period.

Items of equipment are initially recognized at cost. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the organisation and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of income and expenditure in the period to which it relates.

Items of equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided using the reducing balance method to write down the cost less estimated residual value over the useful life of the equipment. The following annual rates are used for the depreciation of equipment.

Assets	Rate
Furniture, fittings and equipment	12.5%

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

Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1d) Impairment of asset

At each reporting date, the company assesses whether there is any indication that any asset (or group of related assets) may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1d) Impairment of asset (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, this does not apply to impairment losses allocated to goodwill, the reversal of which is prohibited by the standard.

1e) Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). If however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in surplus or deficit.

Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Trade and other payables denominated in a foreign currency are translated into functional currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenditures.

1f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

1g) Employee benefits

Short term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution plans are expensed as they fall due. The organization and its employees contribute to National Social Security Fund (NSSF) a statutory defined contribution scheme registered under the NSSF Act.

1h) Provisions and contingencies

Provisions are recognised when the organization has an obligation at the reporting date as a result of a past event, it is probable that the organization will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1i) Deferred income

It relates to income received in the current period for the events taking place in the subsequent years. The amount will be recognized as revenue when the religious activities will occur.

2) Key sources of estimation uncertainty

In the application of the accounting policies, the management committee is 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 management committee 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

(i) Equipments

Critical estimates are made by the management committee in determining depreciation rates for equipment. The depreciation rates used are set out in the respective accounting policy under equipment.

NOTES TO THE FINANCIAL STATEMENTS

2022
T.SHS.
9 months

1 Incomes

Contribution from members

6,608,500

2 Operating Expenditures

Accountancy fees

675,000

Prison project supplies

2,744,500

Office expenses

485,000

Depreciation

65,625

Printing and stationery

95,000

Members allowance

50,000

Telephone and internet

260,000

Board meeting expenses

159,000

Media cost

450,000

Registration and exam fees

615,000

Bank charges

47,058

Travelling and transportation

55,000

5,701,183

3 Taxation

In accordance with the provision of Section 64 of the Income Tax Act, no provision for taxation has been made by the Tanzania Prisoners Hope Foundation - Social Development Program as the organization is for the purpose of transforming the prisoners' and ex-prisoners lives, socially, morally, and materially for their self-reliance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Equipment

	Furnitures, fittings equipment <u>T.SHS</u>	Total <u>T.SHS</u>
Period ended 31 December 2022		
Cost		
At start of period	-	-
Additions	<u>700,000</u>	<u>700,000</u>
At end of period	<u>700,000</u>	<u>700,000</u>
Depreciation		
At start of period	-	-
Charge for the period	<u>65,625</u>	<u>65,625</u>
At end of period	<u>65,625</u>	<u>65,625</u>
Net book value	<u>634,375</u>	<u>634,375</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022 T.SHS 9 months
5 Cash and cash equivalents	
Cash at bank	772,942
	<u>772,942</u>
6 Other payables	
Accruals	500,000
	<u>500,000</u>
7 Commitments	
Capital commitments	
As at 31 May 2022, the Organization had no capital expenditure contracted or accrued.	
8 Subsequent events	
There were no subsequent events after the year end, which requires adjustments or disclosures in the financial statements.	
9 Contingent liability	
As at 31 May 2022, the Company had no litigations.	

Income Tax Computation	2022 T.SHS
Surplus before tax as per accounts	907,317
<u>Add: Non-allowable expenses</u>	
Depreciation	65,625
	65,625
<u>Less: Allowable deductions</u>	
Wear and tear allowance	(65,625)
Income not subjected for tax	(907,317)
	(972,942)
Adjusted surplus for the year	-
<u>POSITION OF TAXATION</u>	
Balance brought forward	-
Less: Corporation tax at 30%	-
Less: Provisional tax paid for the year	-
Less: Withholding Tax paid for the year	-
Tax repayable	-

DEPRECIATION ALLOWANCES SCHEDULE FOR THE YEAR 2021

	CLASS I 37.5% T.SHS	CLASS III 12.5% T.SHS	TOTAL T.SHS
WDV as at 01.01.2021	-	-	-
Additions	-	700,000	700,000
Disposal	-	-	-
Wear & Tear allowances	-	(65,625)	(65,625)
WDV as at 31.12.2021	-	634,375	634,375