

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023



AUDITMAX FINANCIAL CONSULTANCY
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WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

FOUNDATION INFORMATION

REGISTERED OFFICE **WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION**
Mwalimu House, 2nd Floor,
Uhuru/Kawawa Road, Ilala
Boma, P. O. Box 77639,
Dar es Salaam, Tanzania.

AUDITOR **AUDITMAX FINANCIAL CONSULTANCY**
Certified Public Accountants,
P.O. Box 95921
Dar es salaam
Tanzania.

BANKER(S) **NMB BANK**
Ilala Branch
P.O. Box
Dar es Salaam
Tanzania

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

INTRODUCTION

The Directors of WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION are pleased to present their report together with the audited financial statements of WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION for the financial year ended 31st December 2023, which disclose the state of affairs of the Foundation. This report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1.

1. REGISTRATION

The Foundation is a non-profit organization based in Dar es Salaam Tanzania. It was established on 17th August 2021 with registration number ooNGO/R/2158 under the Registrar of Non-Governmental Organisations (NGOs). Its main purpose is to empower the disadvantaged widows economically and socially, support orphans' education and promote the human rights of these groups. The foundation was also registered by the Tanzania Revenue Authority (TRA) on 13th October 2021 with Tax Identification Number (TIN) 153-765-960. The Foundation is incorporated under the Non-Governmental Organization Act No. 24 of 2002 as amended in 2019. The foundation is domiciled in Tanzania.

2. THE FOUNDATION'S VISION STATEMENT

The desire (long term) future state of the foundation in terms of its fundamental objective and strategic direction is embodied in its vision which is to have:

"A society in which widows and orphans achieve freedom from poverty, live in dignity, enjoy human rights, realize their potential thus contributing to national development."

3. THE FOUNDATION'S MISSION.

Improving the lives of widows and orphans through economic and social empowerment, access to the basic needs, advocating for their human rights, and undertaking sustainable solutions to build resilience amongst them.

4. PRINCIPAL ACTIVITIES

The principal activities of the foundation are premised in its objectives which are:

- (i) To empower widows and destitute women economically.
- (ii) To promote the human rights of widows and orphans.
- (iii) To advocate against harmful cultural practices, gender-based violence, discrimination and other prejudices that perpetrate injustice against widows.
- (iv) To enable orphans and destitute children to access their right to education and other life necessities.

5. BOARD MEMBERS

The Board members of the foundation at the date of this report and who have served the Foundation are:

	NAME	POSITION	PROFESSION	AGE	NATIONALITY
1	Jamila Sulu	Chairperson	Lawyer	51	Tanzanian
2	Angela Mhawili	Secretary General	Teacher	52	Tanzanian
3	Hussein Ringi	Treasurer	Archaeologist	33	Tanzanian
4	Gideon Mayombo	Member	Architect	57	Tanzanian
5	Adam Waitara	Member	Legal Assistant	36	Tanzanian

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

6. CORPORATE GOVERNANCE

The Director takes overall responsibility for the Foundation, including responsibility for identifying key risk areas, considering, and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management Foundation plans and budgets.

The Directors are also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles. The Directors are required to meet at least two times in a year. The Board delegates the day-to-day management of the Foundation assisted by the management team. Where necessary, the management team is invited to attend Director's meetings and facilitate effective control of all Foundation's operational activities, acting as a medium of communication and coordination between all the various operational units.

7. MANAGEMENT OF THE FOUNDATION

During the period under review, the management of the Foundation was under the Secretary General assisted by other board members.

8. CAPITAL STRUCTURE

The Foundation doesn't have the capital, but they have accumulated funds resulted from donations.

9. OPERATING RESULTS FOR THE YEAR

During the period ended 31st December 2023, the Foundation results are as follows: -

Details	2023 TZS
Donations Received	42,891,627
Total Costs	42,983,519
Surplus/(Deficit) for the year	(91,892)

10. DIVIDENDS

The Foundation doesn't have dividends.

11. FUTURE PROSPECT OF THE FOUNDATION

The Foundation will continue to improve its efficiency through the introduction of innovative services focused on the value-added client services, partner with beneficiaries and selective expansion of its operations while careful managing both cost and risk. The Foundation will continue to focus on improving services and general development both vertical and horizontal.

12. PRINCIPLE RISKS AND UNCERTAINTIES

The Directors accepts final responsibility for the risk management and internal control systems of the Foundation. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

- Safeguarding of the Foundation's assets.
- Compliance with applicable laws and regulations.
- Reliability of accounting records.
- Operations sustainability under normal as well as adverse conditions: and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Foundation is designed to provide the Directors with reasonable assurance that the procedures in place are operating effectively.

The Directors assessed the internal control systems throughout the financial year ended 2023 and is of the opinion that they met accepted criteria. The Board carries risk and internal control assessment through the Board Audit Committee.

13. GOING CONCERN ASSUMPTION

The Director's confirm that the applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Director's have reasonable expectation that Foundation has adequate resources to continue in operational existence for the foreseeable future.

14. SOLVENCY OF THE foundation

The state of affairs of the Foundation as at 31st December, 2023 is set out on page 15 of the financial statements. The Directors consider the Foundation to be solvent within the meaning described by the Non-Governmental Organization Act No. 24 of 2002 as amended in 2019. The Directors have reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future.

15. EMPLOYEES' WELFARE

Management and employees' relationship

There has been a good and healthy relationship between employees and management for the year 2023. There were no unresolved complaints received by management from the employees' during the year.

Management and employees' relationship

The Foundation 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.

16. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions and balances are disclosed in Note 12 to these financial statements. Transactions with related parties were conducted at terms and conditions similar to those offered to other clients in the normal course of operations.

17. RELATIONSHIP WITH STAKEHOLDERS

The Foundation continued to maintain a good relationship with all stakeholders including the regulators.

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

18. CORPORATE SOCIAL RESPONSIBILITY

The Foundation values responsible corporate citizenship, amongst the initiatives and endeavors that the Foundation's participation includes support of Government and Non-Governmental Organizations.

19. ENVIRONMENTAL CONSERVATION

In order to conserve the environment, the Foundation is keen to ensure that all waste generated are safely disposed off.

20. ACCOUNTING POLICIES AND CRITICAL JUDGEMENT AND ESTIMATES

Results of the entity are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of the financial statements. When preparing the financial statements, it is the Director's responsibility under the Non-Governmental Organization Act No. 24 of 2002 as amended in 2019 to select suitable accounting policies and to make judgments and estimates that are reasonable and prudent. The accounting policies that are deemed critical to our results and financial position, in terms of the materiality of the items to which the policies are applied and the high degree of judgment involved, including the use of assumptions and estimation, are described in Notes 2 and 3 to the financial statements.

21. FIDUCIARY RESPONSIBILITY

The Directors' as stewards of the Foundation always acted for the good of the Foundation rather than for the benefit of themselves throughout the period. Reasonable care was exercised in all decisions taken by the Foundation without placing the Foundation under unnecessary risks.

22. SUBSEQUENT EVENTS

There are no subsequent events, which require disclosure in or adjusted of the financial statements.

23. INDEPENDENT AUDITORS

M/s AUDITMAX FINANCIAL CONSULTANCY, (Certified Public Accountants), P.O. Box 95921 Dar es salaam, Tanzania were the independent auditors of the WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION for the financial year ended 31stDecember, 2023 and are eligible for re-appointment.

Approved by board of Directors for issue and signed on its behalf by:



ANGELA PETER MHAWILI
SECRETARY GENERAL

Date: 12th June 2024

**DECLARATION OF HEAD OF ACCOUNTS FOR
THE YEAR ENDED 31 DECEMBER 2023**

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 of Director's 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 Director's as under Directors Responsibility statement on an earlier page.

I CPA **GEORGE NDEKWA** being the Head of Accounting of **WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION** hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31stDecember 2023 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 **WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION** as on that date and that they have been prepared based on properly maintained financial records.

Signed by: -



**NBAA REGISTRATION NO GA.8866
FINANCIAL CONSULTANT**

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

STATEMENT OF DIRECTOR'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2023

The provisions of the Non-Governmental Organization Act No. 24 of 2002 as amended in 2019 require the Directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the entities at the end of the financial year and of its profit or loss. The Directors are also obliged to ensure that the entity keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the entity. They are also responsible for safeguarding the assets of the entity.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and the requirements of the Non-Governmental Organization Act No. 24 of 2002 as amended in 2019. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the entity and of its loss in accordance with International Public Sector Accounting Standards (IPSAS). The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

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

Approved by Director for issue and signed on its behalf by:



ANGELA PETER MHAWILI
SECRETARY GENERAL

Date: 12th June 2024

INDEPENDENT AUDITOR'S REPORT

DIRECTORS
WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION
P.O. Box 77639
Dar es Salaam -Tanzania

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION**, which comprise the statement of financial position as of December 31, 2023, and the statement of comprehensive income, statement of changes in equity and 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 give true and fair view, in all material respects, the financial position of the Foundation as at December 31, 2023, and its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

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 Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The going concern

The financial statements of the Foundation have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Foundation or to cease operations or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Foundation's financial statements is appropriate.

Director has not identified a material uncertainty that may cast significant doubt on the Foundation's ability to continue as a going concern, and accordingly none is disclosed in the financial statements of the Foundation. Based on our audit of the financial statements of the Foundation, we also have not identified such a material uncertainty. However, neither Directors nor the auditor can guarantee the Foundation's ability to continue as a going concern.

Independent Auditor's Report Continued

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and the requirements of the Non-Governmental Organization Act No. 24 of 2002 as amended in 2019, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Foundation'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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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

Independent Auditor's Report Continued

to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the Foundation's members as a body in accordance with the Tanzania Registration and for no other purposes.

As required by the Non-Governmental Organization Act No. 24 of 2002 as amended in 2019, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the entity has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the entity is not disclosed. In respect of the foregoing requirements, we have no matter to report.

Signed by



CPA Alex Mahenge- ACPA PP No 3450

For and on behalf of AuditMax Financial
Consultancy Certified Public Accountants and Tax
Consultants



Date: 25th June 2024

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

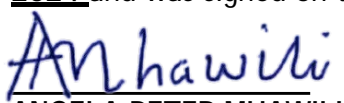
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION

	NOTES	31.12.2023 TZS	31.12.2022 TZS
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	5	<u>1,250,859</u>	<u>1,670,625</u>
Current Assets			
Cash & Cash Equivalents	7	877,385	13,311
Debtors & Prepayments	6	-	-
		<u>877,385</u>	<u>13,311</u>
TOTAL ASSETS		<u><u>2,128,244</u></u>	<u><u>1,683,936</u></u>
GRANTS, RESERVES & LIABILITIES			
GRANTS & RESERVES			
Members Contribution		2,971,325	2,971,325
Accumulated Surplus		(2,421,281)	(2,329,389)
		<u>550,044</u>	<u>641,936</u>
LIABILITIES			
Payables	8	1,578,200	1,042,000
Deffered Grants & Donations	9	-	-
		<u>1,578,200</u>	<u>1,042,000</u>
TOTAL GRANTS, RESERVES & LIABILITIES		<u><u>2,128,244</u></u>	<u><u>1,683,936</u></u>

The notes on pages 17 to 27 are integral part of these financial statements. Auditors' report is on pages 09 and 11.

These Financial Statements were approved by the Directors for the issue on 12th June 2024 and was signed on their behalf by:


ANGELA PETER MHAWILI
SECRETARY GENERAL

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION


FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	31.12.2023 TZS	31.12.2022 TZS
Revenue from Non-Exchange Transaction			
Allocated Donations	10	42,891,627	9,817,140
Total Allocated Grants & Donations		<u>42,891,627</u>	<u>9,817,140</u>
Programs & Project Expenses			
Project Costs	11	35,223,000	3,646,000
Total Project Costs		<u>35,223,000</u>	<u>3,646,000</u>
Excess Available for Other Expenses		7,668,627	6,171,140
Other Expenses			
Administrative Expenses	12	(5,471,753)	(5,315,154)
Personnel Expenses	13	(1,869,000)	(1,955,000)
Depreciation	5	(419,766)	(624,375)
Total Expenses		<u>(7,760,519)</u>	<u>(7,894,529)</u>
Surplus/(Deficit) for the Year		<u>(91,892)</u>	<u>(1,723,389)</u>

The notes on pages 17 to 27 are integral part of these financial statements. Auditors' report is on pages 09 and 11.

These Financial Statements were approved by the Directors for the issue on 12th June 2024 and was signed on their behalf by:


ANGELA PETER MHAWILI
SECRETARY GENERAL

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CHANGES IN EQUITY

Descriptions	Accumulated Fund	Accumulated Surplus	Total
	TZS	TZS	TZS
Balance 01.01.2023	2,971,325	(2,329,389)	641,936
Surplus /(Deficit) for the year	-	(91,892)	(91,892)
As at 31 December 2023	<u>2,971,325</u>	<u>(2,421,281)</u>	<u>550,044</u>

The notes on pages 17 to 27 are integral part of these financial statements. Auditors' report is on pages 09 and 11.

These Financial Statements were approved by the Directors for the issue on 12th June 2024 and was signed on their behalf by:



ANGELA PETER MHAWILI
SECRETARY GENERAL

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

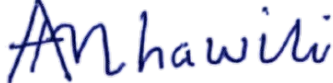
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CASHFLOWS

	31.12.2023 TZS	31.12.2022 TZS
Receipts		
Donation & Grants	42,891,627	9,817,140
Members Contributions	-	2,365,325
Total Fund Received	42,891,627	12,182,465
Payments		
Project Costs	35,223,000	3,766,000
Administrative Costs	4,935,553	4,153,154
Personnel Costs	1,869,000	1,955,000
Total Payments	42,027,553	9,874,154
Net Cash Flow Generated From Operations	864,074	2,308,311
Cash Flow From Investing Activities		
Receipts from Disposal of Fixed Assets	-	-
Acquisition of Fixed Assets	-	(2,295,000)
Net Cash Flow From Investment Activities	-	(2,295,000)
Net Cash Inflow/ (Outflow)	864,074	13,311
Cash and Cash Equivalent at the Beginning of the Year	13,311	-
Cash and Cash Equivalent at the End Of The Year	877,385	13,311

The notes on pages 17 to 27 are integral part of these financial statements. Auditors' report is on pages 09 and 11.

These Financial Statements were approved by the Directors for the issue on 12th June 2024 and was signed on their behalf by:



ANGELA PETER MHAWILI
SECRETARY GENERAL

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

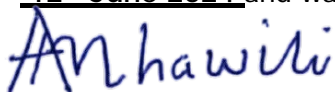
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

	BUDGET	ACTUAL	VARIANCE	%
Receipts				
Donations	50,000,000	42,891,627	7,108,373	17%
Members Contributions	5,000,000	-	5,000,000	0%
Total Fund Received	55,000,000	42,891,627	12,108,373	17%
Payments				
Project Costs	(45,000,000)	(35,223,000)	(9,777,000)	28%
Administrative Costs	(5,500,000)	(4,935,553)	(564,447)	11%
Personnel Costs	(2,000,000)	(1,869,000)	(131,000)	7%
Acquisition of Fixed Assets	-	-	-	0%
Total Payments	(52,500,000)	(42,027,553)	(10,472,447)	46%
Excess/(Deficit)	2,500,000	864,074	1,635,926	65%

The notes on pages 17 to 27 are integral part of these financial statements. Auditors' report is on pages 09 and 11.

These Financial Statements were approved by the Directors for the issue on

12th June 2024 and was signed on their behalf by:



ANGELA PETER MHAWILI
SECRETARY GENERAL

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

The WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION is registered under the Non-Governmental Act No. 24 of 2002 as amended in 2019, the registered office of the Foundation is set on page number 2 of this report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies will consistently be applied to all periods, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Foundation have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). The Standards also encompass the International Accounting Standards (IAS), International Public Sector Accounting Standard Interpretation Committee (IPSASIC) and the Standing Interpretation Committee (SIC). Additional information required by the Non-Governmental Organization Act No. 24 of 2002 as amended in 2019 is included where appropriate.

The financial statements comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the notes. The measurement basis applied in the preparation of these financial statements is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania shillings (TZS), rounded to the nearest thousands, which is the Foundation's functional currency.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Foundation's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The directors believe that the underlying assumptions are appropriate and that the Foundation's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in Note 4.

(b) Income Recognition

Income is recognized on accrual basis. Income is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Foundation.

(c) Foreign Currency Translations

Translations in foreign currencies are translated into Tanzanian Shillings based on exchange rates ruling at the dates of respective transactions. Exchange gains/losses thereon are considered in the determination of the results from operations. Assets and liabilities expressed in foreign currencies as at the statement of financial position date are translated into Tanzanian shillings at the rate of exchange ruling at the end of the financial year. Difference in exchange rates fluctuations are booked in the statement of comprehensive income.

WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

(d) Income tax

Income tax expense is the aggregate of the charge to the statement of profit or loss and other comprehensive income in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the period determined in accordance with the Tanzanian Income Tax Act. The Foundation supposed to apply the commissioner ruling as per requirement of Income Tax Act.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

(e) Provisions

Provisions are recognised when the Foundation 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(f) Property, Plant and equipment

Property, plant and equipment are initially recorded at cost, less subsequent accumulated depreciation and impairment losses (Note 5). The cost of an asset

Comprises its purchase price, any directly attributable costs of bringing the asset to working condition and location for its intended use and the cost of borrowed funds used during the periods of construction.

\Expenditure incurred after the asset has been put into operation, including cost of replacing part of such an item, is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment and the cost can be measured reliably. All other expenditure is expensed as it is incurred.

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Assets acquired under leasing agreements, which effectively transfer substantially all the risks, and benefits incidental to ownership from the lessor to the lessee are classified as assets under finance leases. Assets held under finance leases are initially recorded at amounts equivalent to the lower of the fair value of the leased assets at the inception of the lease or the present value of the minimum lease payments (computed using the rate of interest implicit in the lease).

The net present value of the future minimum lease payments is recorded correspondingly as a finance lease obligation. Assets held under finance leases are amortised over their estimated useful lives on a straight-line basis. As at 31st December 2023, no asset was held by the Entity under finance leases.

Gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the respective asset and are recognised as income or expense in the profit or loss on the date of disposal.

Depreciation is provided to write off the cost of each asset over its estimated useful life on a straight-line basis, after taking into account its estimated residual value, as follows:

	Applicable Rate
Land and Building	5.0%
Motor vehicle	12.5%
Office Equipment	12.5%
Furniture & Fittings	12.5%
Computer and Accessories	20.0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts, and each part is depreciated separately. Both the useful life of an asset and its residual value are reviewed annually.

(g) Impairment of tangible and intangible assets

An impairment loss is recognised immediately in the statement of profit and loss and other comprehensive income if the recoverable amount of asset is less than its carrying amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal of the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Asset that do not generate cash inflows largely independent of those from other assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and

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then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in the prior period. A reversal of an impairment loss is recognised immediately in the statement of profit or loss. Goodwill impairment losses are not reversed.

The Entity annually reviews the carrying amounts of its property and equipment and intangible assets with finite useful lives in order to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent, if any, of the impairment loss.

(h) Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs to make the sale and the related tax expenses.

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for doubtful debts (Note 3(n)) unless the effect of discounting would be immaterial, in which case they are stated at cost less allowance for doubtful debts.

(j) Provision for Impairment of Receivables

Receivables are recognized initially at fair value and subsequently measured at value less provision for impairment. Specific provision is made in the financial statements against receivables considered to be doubtful of recovery.

(k) Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial position at face value. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, deposits held on call and fixed deposits.

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and the redemption value recognised in profit or loss over the period of the borrowings, together with any interest, using the effective interest method.

(m) Employees' benefits

Retirement benefits

The Foundations' contributions in respect of retirement benefit costs are charged to the statement of profit or loss in the year to which they relate. The Entity makes

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contributions to National Social Security Fund (NSSF), which are statutory defined contribution pension schemes. A defined contribution plan is a pension plan under which the Entity pays fixed contribution into a separate entity. The Entity has no obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and previous periods. The Entity's obligations under the schemes are limited to specific contributions legislated from time to time.

Short-term benefits

The cost of all short-term employee entitlements to leave pay, medical aids, long service awards, other contributions etc. are recognized during the period in which the employees rendered the related services.

Terminal benefits

Terminal benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange of these benefits. The Entity recognizes termination benefits when it is constructively obliged to either terminate the employment of current employees according to detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Provision for liabilities and charges

Entitlements to annual leave are recognized when they accrue to employees. Provision is made for the estimated liability in respect of annual leave accrued on the reporting date.

(n) Financial instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

All financial assets and financial liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through the statement of profit or loss and other comprehensive income which are initially measured at fair value, excluding transaction costs. The fair value of a financial instrument on initial recognition is normally the transaction price unless the fair value is evident from observable market data.

(o) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at end of each reporting date. Certain categories of financial assets, such as trade receivables, that are assessed not to be impaired individually, are subsequently assessed for impairment on a collective basis.

(p) Financial assets carried at amortised cost.

For financial assets carried at amortised cost, with the exception of trade and other receivables, the amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the

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financial asset's original effective interest rate. For trade and other receivables, the amount of the impairment loss is the irrecoverable amount estimated by management.

The carrying amount is reduced directly by the impairment loss with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed, either directly or by adjusting the allowance account, through profit or loss. The carrying amount of the financial asset at the date the impairment loss is reversed will not exceed what the amortised cost would have been had the impairment loss not been recognised.

(q) Financial liabilities, excluding derivative financial instruments, and equity instruments.

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the applicable definitions. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities and includes no obligation to deliver cash or other financial asset.

(q) Financial liabilities, excluding derivative financial instruments, and equity instruments (Continued)

Equity instruments issued by the group are recorded at the proceeds received, net of direct issuance costs. Subsequent to initial recognition, these instruments are measured as follows:

- Borrowings are subsequently stated at amortized cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowings.
- Trade and other payables (excluding liabilities created by statutory requirements, revenue charged in advance, deferred revenue and reduced subscriptions) as well as dividends payable are not interest bearing and are subsequently stated at their nominal values.

(r) Offset

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities and there is an intention to settle the liability and realise the asset simultaneously or to settle on a net basis, all related financial effects are offset.

(s) Contingencies and commitments

Transactions are classified as contingencies where the Entity's obligations depend on uncertain future events. Items are classified as commitments where the Entity commits itself to future transactions if the items will result in the acquisition of assets.

(t) Comparatives

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Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

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

3. FINANCIAL AND OPERATIONAL RISK MANAGEMENT

Risk is an inherent feature of the activities of any institution. The WIDOWS AND ORPHANS DEVELOPMENT FOUNDATION endeavors to manage risk by having in place appropriate functional structures, systems and procedures. These structures, systems and procedures evolve continuously in response to changes in the environment in which the Entity operates. The following are the main types of risks the Entity is exposed to in the course of executing its operations: -

- Operational Risk
- Liquidity Risk
- Credit Risk

3.1 Operational Risk

Operational risk is the risk of loss both financial and non-financial resulting from inadequate systems, management failures, ineffective internal control processes, fraud, theft and human error. The Entity addresses this risk, inter alia, through ensuring existence of sound internal control systems. Managing operational risk in the Entity is an integral part of the day-to-day operations by the Management. The Management and the Board of Governors closely monitor this risk.

3.2 Liquidity Risk

Liquidity risk is the risk that the Entity faces by not having adequate funds to settle day-to-day obligations as they fall due. The Entity has a prudent liquidity risk management through which it maintains sufficient cash to cover committed credit facilities received working capital as well as the Entity's capital requirements. The liquidity risk management by the Entity includes forward planning and close monitoring by the finance department.

3.3 Credit Risk

Potential credit risk involves short-term cash deposits and trade and other receivables. Risk relating to short-term deposits is managed through ensuring that surpluses are deposited with banks of high credit standing. Management of risk associated with trade and other receivables includes prompt invoicing, close follow up and requiring regular customers to deposit money in advance to cover for services to be rendered.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Entity's financial position and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the financial statements. Management bases the assumptions and estimates on historical experience and on other factors that the management believes to be reasonable, and which form the basis for making judgements about matters that are not readily apparent from other

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sources. On an on-going basis, management evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of significant accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the financial statements. The significant accounting policies are set forth in Note 3. Management believes the following significant accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

4.1 Allowance for doubtful debts

Management estimates an allowance for doubtful debts resulting from the inability of the customers to make the required payments. Management bases its estimates on the ageing of the accounts receivable balance, customer creditworthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual write-offs might be higher than expected and could significantly affect the results of future periods.

4.2 Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated and amortised on a straight-line basis over the estimated useful lives of the assets, after considering their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation and amortisation expense to be recorded during any reporting period. The useful lives and residual values are based on the Entity's historical experience with similar assets and consider anticipated technological changes. The depreciation and amortisation expense for future periods is adjusted if there are significant changes from previous estimates.

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NOTES TO THE FINANCIAL STATEMENTS

PLANT, PROPERTY AND EQUIPMENT

5	Computer and Accessories	Furniture, Fixtures and Fittings	Total
	TZS	TZS	TZS
Cost:			
At 1 January 2023	1,350,000	945,000	2,295,000
Additions	-	-	-
Revaluation gain	-	-	-
At 31 December 2023	<u>1,350,000</u>	<u>945,000</u>	<u>2,295,000</u>
Depreciation:			
At 31 January 2023	(506,250)	(118,125)	(624,375)
Charge for the year	(316,406)	(103,359)	(419,766)
At 31 December 2023	<u>(822,656)</u>	<u>(221,484)</u>	<u>(1,044,141)</u>
NBV 31 December 2023	527,344	723,516	1,250,859

NOTE		31.12.2023 TZS	31.12.2022 TZS
7	Cash & Cash Equivalents		
	Vodacom Lipa Number	-	9,750
	Nmb Bank	877,385	3,561
		<u>877,385</u>	<u>13,311</u>
9	Creditors & Accruals		
	Audit Fees Payable	1,000,000	670,339
	Teachers Development Company Limited	(122,559)	(120,000)
	Stamp Duty Payable	67,200	42,000
	Withholding Tax Payable	633,559	449,661
		<u>1,578,200</u>	<u>1,042,000</u>
10	Revenue from non-exchange transactions		
	Donations	42,891,627	9,817,140
		<u>42,891,627</u>	<u>9,817,140</u>
11	Programs & Project Expenses		
	Widows Empowerment	30,602,000	1,492,400
	Orphans Support	4,345,000	650,000
	Transport	276,000	338,000
	Printing & Stationery	-	308,600
	Meeting Expenses	-	474,500
	Food & Beverages	-	382,500
		<u>35,223,000</u>	<u>3,646,000</u>
12	Administration Expenses		
	Rent Expenses	2,520,000	4,200,000
	Stamp Duty	25,200	36,000
	Bank Charges	397,163	154,404
	Cleaning	84,000	223,000
	Audit Fee	1,000,000	700,000
	Service Charge	1,200,000	-
	NGO Fees	50,000	-
	Fines & Penalties	100,000	-
	Internet & Telephone Expenses	31,400	-
	Transfer Charges Lipa	63,990	1,750
		<u>5,471,753</u>	<u>5,315,154</u>
13	Personnel expenses		
	Wages	1,869,000	1,955,000
		<u>1,869,000</u>	<u>1,955,000</u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 CAPITAL COMMITMENTS

The Foundation had no Capital Commitments as at balance sheet date

NOTE 15 CONTINGENT LIABILITIES

The Foundation Had no Contingent liabilities as at Balance sheet Date

NOTE 16 COMPERATIVE FIGURES

Previously year's figures have been grouped whenever considered necessary to make comparable with current years figure's