

**Annual Audited Report and Financial Statements for the year
ended
31st December, 2019**

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**CHILDREN BASE REINFORCEMENT ORGANIZATION
UNITED REPUBLIC OF TANZANIA PROJECTS
Report and Financial Statement for the year ended 31 December 2019**

1. GENERAL INFORMATION

Project Coordinator Children Base Reinforcement Organization
Registered Address P.O Box 546,
Korogwe Tanga, Tanzania
Email cbro.ombeni@gmail.com
Mobile: +255 714283729

Chief Officers Ombeni Peter Ayo Project Manager
Rogers Abihudi Board Chairperson

Principle Bankers National Microfinance Bank PLC
Korogwe Branch
P.O Box
Tanga

Accountants/Auditors KAL Business Accounting Consultants
Certified Public Accountants
Registered Address P.O Box 1035
Njombe, Tanzania
Mobile +255 715 001 877 / 767 913 392
Email kalconsultancy17@gmail.com

2. INTRODUCTION

2.1 Background and Overview

In May 2016, eight founding members of the Zebras Active Community e.V. (ZAC) met. Their ambitious aim was and remains to establish a children's village in the East African country of Tanzania. The idea itself was part of a previous endeavour. Our idea of this project is based on profound background.

Since 2014, some socially engaged supporters of the German football club MSV Duisburg finance an orphanage and two street football teams in Tanzania. This is a unique story of its own and originates from a rather coincidental trip around the world. A supporter of MSV Duisburg went on sabbatical leave for a year and travelled around the world. His first stop was in Africa, where he met people from an orphanage in Dar es Salam. By means of social networking, MSV supporters started a surprising aid programme from which a reliable partnership with the orphanage established. Since then, some success has been made for the local children: Infrastructures have been improved, the orphanage has been extended, and a car has been found and shipped to Tanzania. Any many things more. Thanks to generous donations, the street footballers have also gained new perspectives.

This commitment left the impression of the particularly difficult living conditions of especially underprivileged children in Tanzania. Based on the idea of Holger Glücks, founder of ZAC, it had been decided that a completely new children's village has to be built in another location. Supported by local guardians, we want to make it possible for up to 60 children to grow up in a protective and responsible environment

The aspiration of our project is to provide a good and secure haven for these children. In addition, we would also like to give these children the opportunity to gain access to education, which is partly subject to fees in ordinary Tanzania, and to stimulate the future perspectives of these children by opening access to apprenticeships. All our activities aim at capacity building. In this case, ZAC acts regardless of religious or political orientation.

In February 2018, our Non-Governmental Organization, named the Children Base Reinforcement Organization (short form "C.B.R.O.") was registered with the Ministry of Community and Development, Gender and Children on 19/01/2018 under document number 0009479. Met for its inaugural meeting in Lutindi with the Core functions of Zebra Active Community. The registered office of the Organization is situated in Tanzania and allowed to work in the whole country. Currently the Organization Headquarters is in Lutindi Korogwe Tanga Region

Management Board

The current Board of Directors consists of the, Chairman of the Board Rogers Shehumu (Controller at Lutindi Mental Hospital, Vice Chairman Petro Godson Makange (ex World Vision employee), Florence Paulo Shemndolwa (businesswoman), Margareth Momburi (regional politician), Melkizedek T. Mrema (lawyer) Ombeni Peter Ayo (C.B.R.O. manager)

Vision Statement

Vision statement of CBRO is that children live under condition that help them to grow to the best they can be live healthy and happy life and receive the education that will help them to archive their dreams

Mission Statement

C.B.R.O organization mission states: To help children in difficult and unsecured environment to improve their standards of living so that their physical, Emotion and social needs are satisfied. As ambassadors of these children we ensure their integral human development by being network for organization, Companies and Individuals that give them opportunity to support the children to reach their Life dreams in effective way

Core values

Children Base Reinforcement Organization wishes to promote the socially responsible operations, Zero Poverty, eco justice, fairness and economic growth for children and community and lead them to enjoyable life wherever they live. In this respect C.B.RO's core values include Honesty, Accountability, Integrity, Community Service, Trustiness and empowering people

2.2 Main Objectives of the Projects

The objectives and purposes of **CHILDREN BASE REINFORCEMENT ORGANIZATION** are:

- a. To empower Children and to advocate for community self-reliance program which shall enhance reduction of poverty among the poor rural communities.
- b. To support Education in the Community especially to Childrens
- c. To improve wellbeing of underprevelaged children's in Tanzania
- d. To enable eeducational services and facilities to the underpreveladged children and orphans so that the can become self sufficient after satding
- e. To Support Health to underprvelged children in the Community
- f. To empower youth on self relaince education and enterpreneurship that can eminicipate from their social and Economic Challages that the face
- g. To fundraise for community development projects especially in education sector and mainly in rural poor communities.
- h. To educate the community about issues in matters relating to environmental protection.
- i. To conduct researches on community development and consequently suggest means to tackle underdevelopment problems.
- j. To research and develop technological means of imparting relevant, accessible and up-to-date education especially to rural communities.

2.3 Objectives of the audit

The main objective of the audit is to conduct our audit in accordance with International Standards on Auditing (ISA) with emphasis on ISA 805 and International Standards on Related Services (ISRS) 4400 (Revised) with a view of expressing opinion whether the financial report regarding the Tanzania project for building global justice and peace for the period from 01st January, 2018 to 31st December, 2018 is in accordance **CHILDREN BASE REINFORCEMENT ORGANIZATION's** accounting.

3. RESPONSIBILITY OF MANAGEMENT

The Management team of the CHILDREN BASE REINFORCEMENT ORGANIZATION is responsible for the preparation and presentation of the Programme's financial report for the period from 01st January 2019 to 31st December 2019 which comprise the Statement of Income and expenditure, Statement of financial position, Statement of change in equity, Statement of cash flow and the notes to the financial report, which include a summary of significant accounting policies and other explanatory notes, on the basis of accounting policies described in the CHILDREN BASE REINFORCEMENT ORGANIZATION Financial Regulations Manual.

Management's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial reports that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The management accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with funding terms and conditions required. The Programme Management is of the opinion that the financial report gives a true and fair view of the state of the financial affairs of the Programme and of its operating results. The Programme Management further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial reports, as well as adequate systems of internal financial control.

The management of **CHILDREN BASE REINFORCEMENT ORGANIZATION** is also responsible for making available to Auditors, as and when required, all of the accounting records and all other records and related programme information.

The financial reports for the period from 01st January 2019 to 31 December, 2019 set out on pages 8 to 11 were approved by the Programme Management and signed on behalf by:

By Order of the Management,

Ombeni Ayo
Project Manager

Rodgers Abihudi
Executive Director

DATE

4. DECLARATION OF THE HEAD OF FINANCE

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 Directors and Management to discharge the responsibility of preparing financial statements of the organization showing a 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 the financial statement rests with the Tanzania projects for Management as under Management Responsibility statement described on the earlier page.

I **Pascal Lushiku** being the Head of Accounting responsible for finances of C.B.R.O Tanzania project, hereby acknowledge my responsibility of ensuring that financial statements of the project for the period from 01st January 2019 to 31st December 2019 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 CHILDREN BASE REINFORCEMENT ORGANIZATION as on that date and that they have been prepared based on properly maintained financial records.

PASCAL ALONSO LUSHIKU

Position: Financial Advisor

NBAA Membership No: **GA 3474**

5. INDEPENDENT AUDITOR'S REPORT



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CHILDREN BASE REINFORCEMENT ORGANIZATION

P O Box 546
KOROGWE
Tanga Tanzania

Report of the Independent Auditor on the Financial Statements of CHILDREN BASE REINFORCEMENT ORGANIZATION for the period from 01st January 2019 to 31st December 2019

Opinion

On the project audit Terms of Reference, We have audited the financial information for the above mentioned project, which comprise the statement of Income and expenditure, Statement of financial position, Statement of cash flow, Statement of change in equity for the period from 01st January 2019 to 31stDecember 2019, and the notes to the financial information including a summary of significant accounting policies set out from page 12 to 14

In our opinion, the accompanying financial information on Children Bases Reinforcement Organization Tanzania projects for the period from 01stJanuary 2019 to 31stDecember 2019 are prepared, in all material respects, in accordance with the accounting policies described in the notes and comply with the requirements of the Terms of reference.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) 805, International Standards on Related Services (ISRS) 4400 (Revised) and Terms of References for the project audit provided by CHILDREN BASE REINFORCEMENT ORGANIZATION. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial information" section of our report.

We are independent of the entity in accordance with the requirements of the IESBA Code of Ethics for Professional Accountants, 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.

Management's Responsibility for the Financial Information

CHILDREN BASE REINFORCEMENT ORGANIZATION Management is responsible for the preparation and fair presentation of the Project financial information. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is 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 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 information.

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 information, 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Basis of accounting and restriction of use

Without modifying our opinion, this report is prepared for CHILDREN BASE REINFORCEMENT ORGANIZATION on Tanzania projects to comply with the reporting requirement..



KAL Business Accounting Consultants
Certified Public Accountants
Dar es Salaam
Signed by _____
Date: _____ **2022**

Signed by CPA Clemence Mhagama (ACPA-2569)
Managing Partner

6. PROJECT FINANCIAL REPORT

6.1 Statement of Income and Expenditure for year ended 31 December, 2019

	Notes	2019 Tshs	2018 Tshs
RECEIPT:			
Project fund Received	4	28,937,451	21,684,816
Total fund available for the project		28,937,451	21,684,816
Project Expenses:			
Influence and Advocacy Project Expenses	5	18,001,404	14,103,708
General costs	8	500,000	500,000
Depreciation	12	997,239	112,100
Total Expenses		19,498,642	14,715,808
Fund balance/deficit		9,438,809	6,969,008

The accompanying notes on page 12-14 are an integral part of the financial statements.

Report of the independent auditors is on pages 6 to 7.

The statement of Income and Expenditure was approved by the Management CHILDREN BASE REINFORCEMENT ORGANIZATION and were signed on its behalf by:

By Order of the Management,

Ombeni Ayo

Project Manager

Rodgers Abihudi

Executive Director

Date

6.2 Statement of Financial Position as at 31 December, 2019

ASSETS	Notes	2019 Tshs	2018 Tshs
Non-Current Assets			
Property, Plants and Equipment	12	<u>7,092,770</u>	<u>1,008,900</u>
		7,092,770	1,008,900
Current Assets			
Work in Progress	10	4,081,800	3050000
Cash and Bank Balance	9	<u>5,883,247</u>	<u>3,560,108</u>
		9,965,047	6,610,108
TOTAL ASSETS		<u>17,057,817</u>	<u>7,619,008</u>
CONTRIBUTIONS AND LIABILITIES			
Members Contributions		150,000	150,000
Surplus/(deficit)		<u>16,407,817</u>	<u>6,969,008</u>
		16,557,817	7,119,008
Current Liabilities			
Creditors and accruals	11	<u>500,000</u>	<u>500,000</u>
TOTAL EQUITY AND LIABILITIES		<u>17,057,817</u>	<u>7,619,008</u>

The accompanying notes on page 12-14 are an integral part of the financial statements.

Report of the independent auditors is on pages 6 to 7.

The statement of financial position was approved by the Management of CHILDREN BASE REINFORCEMENT ORGANIZATION and were signed on its behalf by:

By Order of the Management,

Ombeni Ayo
Project Manager

Rodgers Abihudi
Executive Director

Date

6.3 Statement of Cash Flow for the year ended 31 December, 2019

	Notes	2019 Tshs	2018 Tshs
Cash flow from operating activities			
Surplus/Deficit		9,438,809	6,969,008
Adjustment from non-cash items:			
Depreciation		997,239	112,100
		10,436,048	
Change in working capital			
Decrease in trade payables		-	500,000
Work in progress		(1,031,800)	(3,050,000)
Net Cash generated from operating activities	A	9,404,248	4,531,108
Cash flow from Financing Activities			
Fund		-	150,000
Net Cash flow from Financing Activities	B	-	150,000
Cash flow from Investing Activities			
Purchase of Assets		(7,081,108)	(1,121,000)
	C	(7,081,108)	(1,121,000)
Net increase/ (Decrease) in cash and cash equivalents	A+B+C	2,323,139	3,560,108
Cash and cash equivalents at the beginning of Period		3,560,108	-
Cash and cash equivalents at the end of Period		5,883,248	3,560,108

The accompanying notes on page 12-14 are an integral part of the financial statements.

Report of the independent auditors is on pages 6 to 7.

The statement of cash flow was approved by the Management of **CHILDREN BASE REINFORCEMENT ORGANIZATION** and were signed on its behalf by:

By Order of the Management,

Ombeni Ayo
Project Manager

Rodgers Abihudi
Executive Director

6.4 Statement of Change in Member Contributions Equity for the year ended 31 December, 2019

	Member Contributions	Surplus or Deficit	Total
Members Contribution as 1 January 2019	150,000	6,969,008	7,119,008
Changes during the year	-		-
Profit for the year		9,438,809	9,438,809
Balance as 31 December 2019	150,000	16,407,817	16,557,817
Members as 1 January 2018	-	-	-
Changes during the year	150,000	-	150,000
Surplus/Deficit for the year		6,969,008	6,969,008
Balance as 31 December 2018	150,000	6,969,008	7,119,008

The accompanying notes on page 12-14 are an integral part of the financial statements.

Report of the independent auditors is on pages 6 to 7.

The statement of change in member's contributions equity was approved by the Management of Tanzania project for building global justice and peace and were signed on its behalf by:

By Order of the Management,

Ombeni Ayo
Project Manager

Rodgers Abihudi
Executive Director

7. NOTES TO THE PROJECT FINANCIAL STATEMENTS

7.1 Principal accounting policies

The financial statements have been prepared on the modified cash basis of accounting under which the following principal accounting policies have been applied.

7.2 Grant income

Income comprises of grants received from **ZEBRAS ACTIVE COMMUNITY e.V** and other stakeholders and are accounted for in the period it is received or expensed.

7.3 Recognition of expenditures

Expenditure in respect of goods and services is generally recognized at the time of payment in respect of direct procurement and on retirement in respect of staff imprest.

7.4 Foreign currencies

Functional and presentation currency

Items included in the financial statements of the project are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented prepared and presented in Tanzania Shillings (TZS).

7.5 Grant income and Disbursements

Grant Income received from **ZEBRAS ACTIVE COMMUNITY e.V**, Members Contribution Fees and from other stakeholders.

During the period from 01st January 2019 to 31stDecember 2019, CHILDREN BASE REINFORCEMENT ORGANIZATION received grant income from ZEBRAS ACTIVE COMMUNITY .e.V as follows:

7.5.1 Notes and Computations to Financial Statements

	2019	2018
	Tshs	Tshs
4 Revenue		
Project Funds Received	21,356,343	21,684,816
Unrestricted Net Assets	7,581,108.04	
	28,937,451	21,684,816
5 Influence and Advocacy Project Expenses		
Facilities and Equipment: Rent, Parking, Utilities	90,000	30,000
Field Levelling Project		3,216,500
Apple Project	881,000	
Bank Charges	358,204	269,708
Board Meeting	617,000	424,000
Clean and Safe Water Project	4,266,000	
Visitors	690,000	
Christmas Event Community Expenses	976,650	250,000
Postage, Mail and Mailing Services	73,612	23,000
Stationeries and Printing	192,600	27,500

	Accommodations	230,000	
	Telephone, Telecommunications	300,000	190,000
	Travel and Meeting, Conventions and Conferences	2,953,338	1,382,500
	Salaries and Wages	6,300,000	6,905,000
	Fuel	73,000	1,385,500
		<u>18,001,404</u>	<u>14,103,708</u>
8	General costs		
	Consultancy fees	500,000	500,000
		<u>500,000</u>	<u>500,000</u>
9	Cash and Bank Balances		
	Cash In Hand	3,835,247	1,163,000
	Cash and Bank	2,048,000	2,397,108
		<u>5,883,247</u>	<u>3,560,108</u>
10	Project in Progress		
	Project work in Progress(Children Home)	4,081,800	3,050,000
		<u>4,081,800</u>	<u>3,050,000</u>
11	Creditors and Accruals		
	KAL Consultants	500,000	500,000
		<u>500,000</u>	<u>500,000</u>

NOTE 12: Plant Property and Equipment

Description	Cameras and Pods	Computer & Accessories and Equipments	Total
	Tshs	Tshs	Tshs
COST/VALUATION			
As at 1.1.2019	1,121,000		1,121,000
Additional/Disposal		7,081,108	7,081,108
As at 31.12.2019	1,121,000	7,081,108	8,202,108
DEPRECIATION			
As at 1.1.2019	112,100	-	112,100
Charge for the Year	112,100	885,139	997,239
As at 31.12.2019	224,200	885,139	1,109,339
Net Book Value			
As at 31.12.2019	896,800	6,195,970	7,092,770
As at 1.1.2018			
Additional/Disposal	1,121,000		1,121,000
As at 31.12.2018	1,121,000	-	1,121,000
DEPRECIATION			
As at 1.1.2018	-	-	-
Charge for the Year	112,100	-	112,100
As at 31.12.2018	112,100	-	112,100
Net Book Value			
As at 31.12.2018	1,008,900	-	1,008,900