

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019



MHASIBU CONSULTANTS

CERTIFIED PUBLIC ACCOUNTANTS AND AUDITORS,
P.O. Box 78047,
Nkrumah Street, Plot No. 430/158
TEL NO: 022 – 2120238, 0732-991002
FAX NO: 022 - 2124782
DAR ES SALAAM

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019



MHASIBU CONSULTANTS

CERTIFIED PUBLIC ACCOUNTANTS AND AUDITORS,

P.O. Box 78047,

Nkrumah Street, Plot No. 430/158

TEL NO: 022 - 2120238, 0732-991002

FAX NO: 022 - 2124782

DAR ES SALAAM

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

TABLE OF CONTENTS

	PAGE
DIRECTORS' REPORT	1 - 3
AUDITORS' REPORT	4 - 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN OWNERS' EQUITY	8
STATEMENT OF CASH FLOW	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 12



**SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT
DIRECTORS REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2019

A:	The Organisation	SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED
B:	Organisation Activities	Undertaking development consultancy works, capacity Buildings and agricultural commodities value chains Facilitations.
C:	Auditors	Mhasibu consultants Certified Public Accountants and Auditors Sokoine Drive, NIC Life House 3 rd Floor P.O.Box 7804 Dar es Salaam E-mail: mhasibuconsultants@mhasibu.co
D:	Principal Banker	CRDB Bank PLC Azikiwe Branch Dar es Salaam, Tanzania
E:	Legal Officer	Amazon Attorneys Mbezi Makonde Opp Engen P.O Box 10854 Dar Es Salaam, Tanzania



SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT DIRECTORS REPORT

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2019

1.0 INTRODUCTION

The Directors herewith present their report and audited Financial Statements of SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT for the year ended 31st December, 2019.

2.0 PRINCIPAL FUNCTIONS

Functions of SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT includes:-

To carry out development consultancy services on areas of small enterprises development skills, agricultural value chains development and facilitations, producer empowerment and market linkages, and facilitation of community managed savings.

3.0 OPERATIONAL RESULTS

Financial Achievements

The following achievements were recorded during the year:

The Company succeeded to plan and implement consultancy works, training and other capacity building activities .



4.0 SOLVENCY

The Company's state of affairs as at 31st December, 2019 is set out on page 6 of these financial statements. The Directors consider the Company to be solvent.

5.0 DIRECTORS

The names of the Directors who served since 1st January, 2019 are as follows:

Names	Designation	Nationality
Mr. Fredrick Elifas Ogenga	Managing Director	Tanzanian
Mrs. Afeso Wilson	Secretary	Tanzanian
Mr. Bildadi Ngesso Ogenga	Member	Tanzanian
Mr. Erick Rwehumbiza	Member	

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

6.0 STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements of the Company which show a true and fair view of the state of the Company in accordance with the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB). The Auditors are responsible for reporting on these financial statements.

The Directors confirm that suitable accounting principles have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of financial statements for the year ended 31st December, 2019.

The Directors also confirm that applicable accounting standards have been prepared on a going concern basis.

The Directors are responsible to ensure that SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT keeps proper accounting records that disclose with reasonable accuracy, as any time the financial position of the Company. They are also responsible for safeguarding the assets of SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT and hence, for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities. The Directors are also responsible for maintenance of an adequate system of internal control.

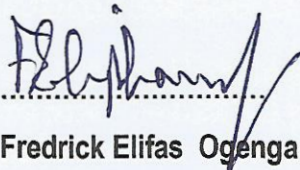
7.0 DIVIDENDS

The Board of Directors do not recommend the payment of dividend as it is a none profit organization. Any surplus will not be for distribution.

8.0 AUDITORS

The Auditors, M/S MHASIBU CONSULTANTS who were appointed during the year, have expressed their willingness to continue in office. A resolution to reappoint them as auditors and authorize the Directors to fix their remuneration will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Fredrick Elifas Ogenga

DIRECTOR

26.06.2020

DATE

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

INTRODUCTION

We have audited the accompanying Financial Statements of the Small Enterprises Institutional Development set out on pages 6 to 9 which comprise the Company's statement of financial position as at 31st December, 2019, statement of profit or loss and comprehensive income, the statement of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

UNQUALIFIED OPINION

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of the Small Enterprises Institutional Development as at 31st December, 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

BASIS OF 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 Group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our responsibility as an auditors is to express an independent opinion on the Financial Statements based on the audit. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAI) and such other audit procedures I considered necessary in the circumstances. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

In making those risk assessments, we considered the internal control relevant to the Company's preparation and fair presentation of the Financial Statements 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 Company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MEMBERS OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board of Directors of the Small Enterprises Institutional Development are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

EMPHASIS OF MATTER

We have nothing to report in this regard.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This report, including the opinion, has been prepared for and only for the company as a body in accordance with the Tanzania Company Act 2002 and not for other purposes.

DAR ES SALAAM

26.06.2020



John M. Lyanga

JOHN M. LYANGA
MANAGING PARTNER

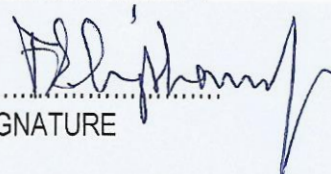
SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT LIMITED

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

		2018 TZS	2017 TZS
NON CURRENT ASSETS	Note		
ASSETS			
Plant Property and Equipment	2	6,667,040	12,395,645
CURRENT ASSETS			
Inventories	3	560,000	1,200,000
Trade and Other Receivables	4	79,147,400	78,445,425
Cash and cash equivalents	5	2,033,834	152,078
TOTAL CURRENT ASSETS		81,741,234	79,797,503
TOTAL ASSETS		88,408,274	92,193,148
EQUITY AND LIABILITIES			
Capital and reserves		10,000,000	10,000,000
Accumulated surplus		16,143,274	18,900,541
		26,143,274	28,900,541
Bank overdraft	6		
CURRENT LIABILITY			
Trade and Other Payables	7	62,265,000	63,292,607
TOTAL CURRENT LIABILITIES		62,265,000	63,292,607
TOTAL EQUITY AND LIABILITIES		88,408,274	92,193,148

FREDRICK OGENGA
DIRECTOR

26.06.2020
DATE


SIGNATURE

Report of the Auditors on page 4-5

The notes on page 10 to 12 form part of these Financial Statements

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT
STATEMENTS OF COMPREHESIVE INCOME FOR THE YEAR
ENDED 31ST DECEMBER, 2019

	Note	2019 TZS	2018 TZS
Revenue	8	180,769,882	227,751,052
EXPENDITURE			
MIVARF Reimbursable cost	9	139,779,851	180,280,000
Operating Expenses	10	34,299,880	43,206,128
Audit Fees		1,500,000	1,500,000
Depreciation		2,105,775	2,864,303
		177,685,506	227,850,431
Surplus/(Deficit) for the year		3,084,376	(99,379)

Report of the Auditors on page 4-5

The notes on page 10 to 12 form part of these Financial Statements

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2019

	Capital and reserves TZS	Accumulated surplus and Deficity TZS	Total TZS
COST			
As at 1 January, 2019	-	14,873,274	14,873,274
Prior Adjustment			
Surplus/(Deficit) for the year	-	3,084,376	3,084,376
As at 31 December, 2019	-	17,957,650	17,957,650



Report of the Auditors on page 4-5

The notes on page 10 to 12 form part of these Financial Statements

**SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT
STATEMENTS OF CASH FLOWS FOR THE YEAR
ENDED 31st DECEMBER 2019**

	2019 TZS	2018 TZS
Surplus/(Deficity) for the year	3,084,376	(99,379)
Adjustment for: prior year adjustment		6,550,107
understated prprevious year closing cash and cash equivalent	-	-
Depreciation	2,105,775	2,864,303
Cash flows from operating activities	-	-
Before changes in working capital items	5,190,151	(3,785,183)
Changes of working capital items		
(Increase)/ Decrease in Inventories	310,000	640,000
(Increase)/ Decrease in Trade and Other Receivables	(34,193,793)	9,298,025
(Decrease)/ Increase in Trade and other Payables	1,637,558	(1,262,500)
Changes of Working Capital items	(5,802,290)	4,306,922
Net Cash flows from operating Activities	(612,139)	521,739
Cash flows from investing activities		
Property, plant and equipment	-	-
Cash flows from Financing activities	-	-
Net cash flows changes for the year	(612,139)	521,739
Cash and cash equivalents at beginning of the year	763,834	242,095
Cash and cash equivalents at the end of the year	151,695	763,834

Report of the Auditors on page 4-5

The notes on page 10 to 12 form part of these Financial Statements

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

1.0 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are in compliance with the International Financial Reporting Standard (IFRS) are set out below:-

1.1 **Accounting Convention**

The financial statements have been prepared under the historical cost convention. Other inflationary factors affecting the statements have not been taken into consideration.

1.2 **Basis of Preparation**

The financial statements have been prepared on an accrual basis.

1.3 **Foreign Currency Translation**

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment on which the Company operates ("the functional currency"). The financial statements are presented in Tanzanian shillings, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions during the year are translated into Tanzanian Shillings at rates ruling at the transaction dates, while monetary assets and liabilities expressed in foreign currencies are translated at rates of exchange ruling at the end of the financial period. Differences on exchange are taken to the profit and loss account in the year in which they arise.

1.4 **Cash and Cash Equivalents**

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and balance with Banks.

1.5 **Inventories**

Value of inventory is stated at cost or net realizable value whichever is less.

1.6 **Comparative Figures** Where necessary, the comparative figures have been reclassified to conform with changes in presentation in the current year.

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE:1.7 DEPRECIATION

Depreciation is calculated on non-current assets using the reducing balance method in order to eventually write off the cost of such items over their expected useful lives at given rates per annum as stated below:-

Description	Annual Rate
Furniture and Fittings	12.50%
Motor vehicle	37.50%
Computers	37.50%
Equipments	25.00%

Depreciation is charged on non-current assets in full from the date they are put into use and until use and until the date they are disposed or derecognized by the Company. Non-current assets that are subject to depreciation are reviewed for impairment whenever events or charges in circumstances indicate that the carrying amount may not be recoverable.

Gains/(Losses) on disposal are determined by comparing the disposal proceedings with the carrying amount and are credited/charged to the income statement.

NOTE: 2 PROPERTY, PLANT AND EQUIPMENT

	EQUIPMENT	FURNITURE & FITTINGS	COMPUTER	TOTAL
COST	TZS	TZS	TZS	TZS
As at 1.1 2019	4,443,761	3,652,031	1,435,550	9,531,342
Additions	-	-	-	-
As at 31.12.2019	4,443,761	3,652,031	1,435,550	9,531,342
Depreciation				
Accumulated	1,110,940	456,504	538,331	2,105,775
Charge for the year	1,110,940	456,504	538,331	2,105,775
	2,221,881	913,008	1,076,663	4,211,551
NET BOOK VALUE				
As at 31.12.2019	3,332,821	3,195,527	897,219	5,319,791

**SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT
SCHEDULE OF DEPRECIABLE ASSETS ALLOWANCE FOR THE YEAR 2019**

CLASS:	III	I	TOTAL
	12.50%	37.50%	
Assets:	Furniture & Fittings TZS	computer TZS	TZS
01.01.2019	8,836,419	1,435,550	10,271,969
Allowance	1,104,552	538,331	1,642,884
31.12.2019 WDV	7,731,867	897,219	8,629,085



SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT

TAX COMPUTATION FOR THE YEAR ENDED 2019

	2019 TZS	2018 TZS
Net Loss per account	3,084,376	-99,379
Add : Depreciation	2,105,775	2,864,303
	<u>5,190,151</u>	<u>2,764,924</u>
Less : Depreciable Allowence	1,642,884	2,123,676
Adjusted Taxable Income	3,547,267	641,248
Corporate Tax 30%	1,064,180	192,374
Less estimated tax	450,000	450,000
Tax repayable/Payable	<u>614,180</u>	<u>-257,626</u>



SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT LIMITED

15

NOTE TO THE FINANCIAL STATEMENTS
FOR THE YAEAR ENDED 31 DECEMBER 2019

	31.12.2019	31.12.2018
NOTE: 3 INVENTORIES		
Flippo, Charts, Maker and Pens	250,000	560,000
	<u>250,000</u>	<u>560,000</u>
NOTE: 4 TRADE AND OTHER RECEIVABLES		
MIVARF/PMO/IFAD Consultancy	103,341,193	69,147,400
	<u>103,341,193</u>	<u>69,147,400</u>
NOTE: 5 CASH AND CASH EQUIVALENTS		
Cash at Bank	134,045	668,834
Cash in hand	17,650	95,000
	<u>151,695</u>	<u>763,834</u>
NOTE: 6 LONG TERM LOAN		
CRDB Bank	-	-
	<u>-</u>	<u>-</u>
NOTE: 7 TRADE AND OTHER PAYABLES		
NSSF contribution	1,560,000	340,000
Audit fees	1,500,000	1,500,000
Payee	842,558	425,000
Other payables	58,362,442	78,840,031
	<u>62,265,000</u>	<u>81,105,031</u>
NOTE: 8 REVENUE		
MIVARF - PMO Project	180,769,882	227,751,052
	<u>180,769,882</u>	<u>227,751,052</u>
NOTE: 9 MIVARF REIMBURSABLE COST		
	139,779,851	180,280,000
	<u>139,779,851</u>	<u>180,280,000</u>
NOTE: 10 OPERATING EXPENDITURE		
Salaries and wages	9,200,000	16,200,000
NSSF employer's contribution	442,000	540,000
Bank charges	1,203,280	2,387,021
Electricity bill	1,987,002	1,872,300
Transport cost	4,288,060	3,963,900
Telephone charges	2,810,000	2,285,140
Service charges fees - NHC	1,452,000	1,452,000
Office rent	3,936,000	4,576,777
Office expenses	5,237,000	4,697,590
Website hosting	200,000	200,000
Printing and stationary	3,544,538	5,031,400
	<u>34,299,880</u>	<u>43,206,128</u>