

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LTD

**AUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31ST DECEMBER, 2018**



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

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**SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED
DIRECTORS REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2018

- | | | |
|----|--------------------------------|--|
| 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

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P.O.Box 7804 Dar es Salaam

E-mail: mhasibuconsultants@mhasibu.com |
| 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 ASSOCIATES LTD DIRECTORS REPORT

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2018

1.0 INTRODUCTION

The Directors herewith present their report and audited Financial Statements of SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED for the year ended 31st December, 2018.

2.0 PRINCIPAL FUNCTIONS

Functions of SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED 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, 2018 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, 2018 are as follows:

Names	Designation	Nationality
Mr. Fredrick Elifas Ogenga	Director	Tanzanian
Mrs. Marcelina Clarah Adel	Director	Tanzanian
Mr. Bildadi Ngesso Ogenga	Director	Tanzanian

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LTD

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, 2018.

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 ASSOCIATES LIMITED 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 ASSOCIATES LIMITED 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.

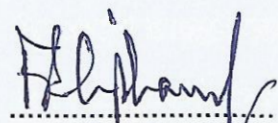
7.0 DIVIDENDS

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 ASSOCIATES LTD

INTRODUCTION

We have audited the accompanying Financial Statements of the Small Enterprises Institutional Development Associates LTD set out on pages 6 to 9 which comprise the Company's statement of financial position as at 31st December, 2018, 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 Associates LTD as at 31st December, 2018, 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 Associates LTD 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, 2020



.....

JOHN M. LYANGA
MANAGING PARTNER

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT LIMITED

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		2019 TZS	2018 TZS
NON CURRENT ASSETS	Note		
ASSETS			
Plant Property and Equipment	2	5,319,791	6,667,040
CURRENT ASSETS			
Inventories	3	250,000	560,000
Trade and Other Receivables	4	103,341,193	79,147,400
Cash and cash equivalents	5	151,695	2,033,834
TOTAL CURRENT ASSETS		<u>103,742,890</u>	<u>81,741,236</u>
TOTAL ASSETS		<u>109,062,681</u>	<u>88,408,276</u>
EQUITY AND LIABILITIES			
Capital and reserves		10,000,000	10,000,000
Accumulated surplus		17,957,650	16,143,274
		<u>27,957,650</u>	<u>26,143,274</u>
Loao from CRDB	6		
CURRENT LIABILITY			
Trade and Other Payables	7	81,105,031	62,265,000
TOTAL CURRENT LIABILITIES		<u>81,105,031</u>	<u>62,265,000</u>
TOTAL EQUITY AND LIABILITIES		<u>109,062,681</u>	<u>88,408,274</u>

FREDRICK OGENTA
.....
DIRECTOR

26.06.2020
.....
DATE

Felix Phany
.....
SIGNATURE

Report of the Auditors on page 4-5

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

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED

**STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31ST DECEMBER, 2018**

	Note	2018 TZS	2017 TZS
Revenue	8	227,751,052	296,339,840
EXPENDITURE			
MIVARF Reimbursable cost	9	180,280,000	246,428,081
Operating Expenses	10	43,206,128	45,498,429
Audit Fees		1,500,000	1,500,000
Depreciation		2,864,303	2,864,303
		<hr/> 227,850,431	<hr/> 296,290,813
Surplus/(Deficit) for the year		(99,379)	49,027



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 ASSOCIATES LIMITED

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR
ENDED 31ST DECEMBER, 2018**

	Capital and reserves TZS	Accumulated surplus and Deficity TZS	Total TZS
As at 31 December, 2017	10,000,000	25,477,069	35,477,069
Prior Adjustment	-	(6,785,000)	(6,785,000)
Surplus/(Deficit) for the year	-	(99,379)	(99,379)
As at 31 December, 2018	-	14,873,274	14,873,274

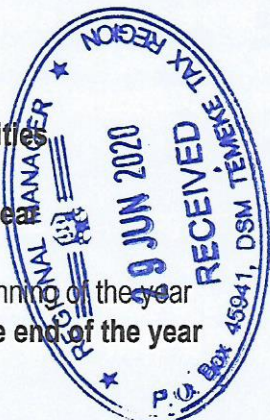


Report of the Auditors on page 4-5

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

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED
STATEMENTS OF CASH FLOWS FOR THE YEAR
ENDED 31st DECEMBER 2018

	2018 TZS	2017 TZS
Surplus/(Deficity) for the year	(99,379)	49,028
Adjustment for: prior year adjustment	(6,550,107)	6,762,393
understated pprevious year closing cash and cash equivalent	-	59,765,107
Depreciation	2,864,303	2,864,303
Cash flows from operating activities	-	-
Before changes in working capital items	(3,785,183)	69,440,830
Changes of working capital items		
(Increase)/ Decrease in Inventories	-	640,000
(Increase)/ Decrease in Trade and Other Receivables	19,832,631	(10,534,606)
(Decrease)/ Increase in Trade and other Payables	(1,571,400)	308,900
Changes of Working Capital items	4,306,922	(9,585,706)
Net Cash flows from operating Activities	521,739	59,855,124
Cash flows from investing activities		
Property, plant and equipment	-	-
Cash flows from Financing activities	-	-
Net cash flows changes for the year	521,739	59,855,124
Cash and cash equivalents at beginning of the year	242,095	(59,613,029)
Cash and cash equivalents at the end of the year	763,834	242,095



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 ASSOCIATES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2018

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 in 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

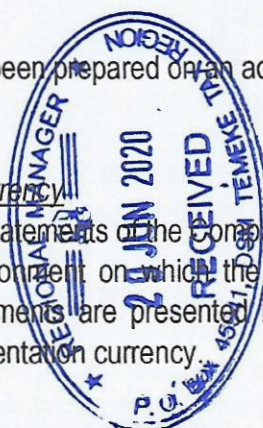
For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and balance with Banks.

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 ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2018

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

Furniture and Fittings
Motor vehicle
Computers
Equipments



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 2018	5,925,015	4,173,750	2,296,880	12,395,645
Additions	-	-	-	-
As at 31.12.2018	5,925,015	4,173,750	2,296,880	12,395,645
Depreciation				
Accumulated	1,481,254	521,719	861,330	2,864,303
Charge for the year	1,481,254	521,719	861,330	2,864,303
	2,962,508	1,043,438	1,722,660	5,728,605
NET BOOK VALUE				
AS at 31.12.2018	4,443,761	3,652,031	1,435,550	6,667,040

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED
SCHEDULE OF DEPRECIABLE ASSETS ALLOWANCE FOR THE YEAR 2018

CLASS:	III	I	TOTAL
	12.50%		37.50%
Assets:	Funiture & Fittings	computer	
	TZS	TZS	TZS
01.01.2018	10,098,765	2,296,880	12,395,645
Allowance	1,262,346	861,330	2,123,676
31.12.2018	8,836,419	1,435,550	10,271,969



SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED
TAX COMPUTATION FOR THE YEAR ENDED 2018

	2018 TZS
Net Loss per account	(99,379)
Add : Depreciation	2,864,303
	<u>2,764,924</u>
Less : Depreciable Allowence	2,123,676
Adjusted Taxable Income	641,248
Corporate Tax 30%	192,375
Less estimated tax paid	450000
Tax repayable	<u>(257,625)</u>



SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT LIMITED

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**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2018**

	31.12.2018	31.12.2017
NOTE: 3 INVENTORIES		
Flippo, Charts, Maker and Pens	560,000	560,000
	<u>560,000</u>	<u>560,000</u>
NOTE: 4 TRADE AND OTHER RECEIVABLES		
MIVARF/PMO/IFAD Consultancy	69,147,400	88,980,031
	<u>69,147,400</u>	<u>88,980,031</u>
NOTE: 5 CASH AND CASH EQUIVALENTS		
Cash at Bank	668,834	242,095
cash in hand	95,000	
	<u>763,834</u>	<u>242,095</u>
NOTE: 6 BANK OVERDRAFT		
CRDB Bank	-	-
	<u>-</u>	<u>-</u>
NOTE: 7 TRADE AND OTHER PAYABLES		
NSSF contribution	340,000	-
Audit fees	1,500,000	1,500,000
Payee	425,000	-
Other payables	78,840,031	59,792,607
	<u>81,105,031</u>	<u>61,292,607</u>
NOTE: 8 REVENUE		
MIVARF - PMO Project	227,751,052	296,339,840
	<u>227,751,052</u>	<u>296,339,840</u>
NOTE: 9 MIVARF REIMBURSABLE COST		
	180,280,000	246,428,081
	<u>180,280,000</u>	<u>246,428,081</u>
NOTE: 10 OPERATING EXPENDITURE		
Salaries and wages	16,200,000	16,200,000
NSSF employer's contribution	540,000	780,000
Bank charges	2,387,021	2,504,000
Electricity bill	1,872,300	1,920,000
Transport cost	3,963,900	7,166,380
Telephone charges	2,285,140	2,410,000
Service charges fees - NHC	1,452,000	1,452,000
Office rent	4,576,777	4,576,777
Office expenses	4,697,590	8,489,273
Website hosting	200,000	
Printing and stationary	5,031,400	
	<u>43,206,128</u>	<u>45,498,430</u>