

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LTD

**FINANCIAL STATEMENTS
31ST DECEMBER, 2017**

DIAMOND FINANCIAL SERVICES
Certified Public Accountants in Public Practice

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DAR ES SALAAM

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LTD

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

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2017

A:	The Organisation	SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT ASSOCIATES LIMITED
B:	Organisation Activities	Undertaking development consultancy works, capacity Buildings and grains value chains development/linkages.
C:	Auditors	DIAMOND FINANCIAL SERVICES Certified Public Accountants In Public Practice 218 Pamba House 2 nd Floor Room No. 218 P. O. Box 12482 Tel: 255 0754 387 307 Email: dfsauditors@hotmail.com . Dar es Salaam, Tanzania
D:	Tax Consultant	SAO ASSOCIATES Accountants, Financial and Tax Consultant Golden Plaza Building Corner of Indira Gandhi and Aggrey Street P. O. Box 77747 Dar es Salaam, Tanzania.
E:	Principal Banker	CRDB Bank PLC Azikiwe Branch Dar es Salaam, Tanzania
F:	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, 2017

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, 2017.

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, producer empowerment and market linkages, and facilitation of community managed saving groups, Training and other capacity building

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 resulting into a surplus of Tzs. 49028

Total assets base stood at Tzs. 99,313,469.

4.0 SOLVENCY

The Company's state of affairs as at 31st December, 2017 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, 2017 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

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2017

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, 2017.

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

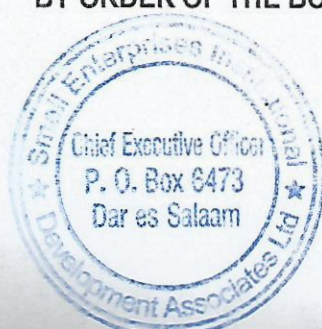
The Board of Directors donot recommend the payment of dividend as it is a none profit organization. Any surplus will not be for distribution.

8.0 AUDITORS

The Auditors, M/S DIAMOND FINANCIAL SERVICES 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

DIRECTOR



DATE

27th August, 2018

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, 2017, 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, 2017, 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 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

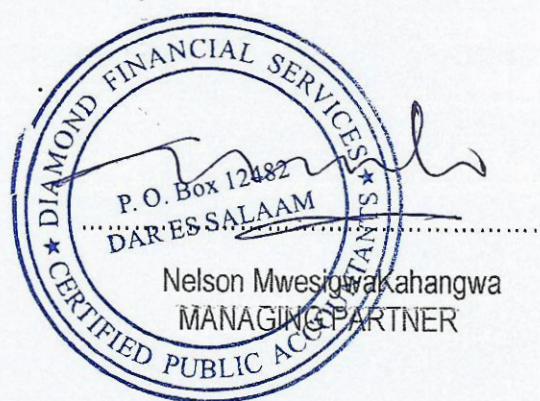
We have nothing to report in this regard.

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 purpose.

DAR ES SALAAM

3109/1....., 2018



SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

	Note	31.12.2017	31.12.2016
		Tshs	Tshs
Non-current assets			
Plant Property and Equipment	2	9,531,342.25	12,395,645.00
Current assets			
Account receivables		88,980,030.75	83,445,425.00
Stocks		560,000.00	1,200,000.00
Cash and cash equivalents	3	242,095.00	152,078.00
TOTAL ASSETS		<u>99,313,468.00</u>	<u>97,193,148.00</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Capital and reserves		10,000,000.00	10,000,000.00
Accumulated surplus/(deficit)		<u>27,020,861.00</u>	<u>23,900,541.00</u>
		37,020,861.00	33,900,541.00
NON- CURRENT LIABILITY			
Loan From the directors			
Current liabilities			
Accounts Payables		61,292,607	62,292,607
Provision for Audit fees		<u>1,000,000</u>	<u>1,000,000</u>
TOTAL EQUITY AND LIABILITIES		<u>99,313,468</u>	<u>97,193,148</u>

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT LIMITED

**STATEMENTS OF COMPREHESIVE INCOME FOR THE YEAR
ENDED 31st DECEMBER, 2017**

	Note	2017 TZS	2016 TZS
Revenue	8	296,339,840	364,058,000
EXPENDITURE			
MIVARF Reimbursable cost	9	246,428,081	321,243,500
Operating Expenses	10	45,498,429	36,338,000
Audit Fees		1,500,000	1,000,000
Depreciation		2,864,303	3,949,383
		<hr/> 296,290,813	<hr/> 362,530,883
Surplus/(Deficit) for the year		49,028	1,527,117

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 LIMITED

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR
ENDED 31ST DECEMBER, 2017**

	Capital and reserves TZS	Accumulated surplus and Deficity TZS	Total TZS
COST			
As at 1 January, 2016	10,000,000	17,373,424	27,373,424
Surplus/(Deficit) for the year	-	1,527,117	1,527,117
As at 31 December, 2016	10,000,000	18,900,541	28,900,541
Prior Adjustment	-	6,527,500	6,527,500
Surplus/(Deficit) for the year	-	49,028	49,028
As at 31 December, 2017	10,000,000	25,477,069	35,477,069

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 LIMITED
STATEMENTS OF CASH FLOWS FOR THE YEAR
ENDED 31ST DECEMBER 2017

	2017 TZS	2016 TZS
Surplus/(Deficity) for the year	49,028	1,527,117
Adjustment for: prior year adjustment	6,762,393	-
understated prprevious year closing cash and cash equavalent	59,765,107	-
Depreciation	2,864,303	3,949,383
Cash flows from operating activities	-	-
Before changes in working capital items	69,440,830	5,476,500
Changes of working capital items		
(Increase)/ Decrease in Inventories	640,000	3,880,000
(Increase)/ Decrease in Trade and Other Receivables	(10,534,606)	(21,943,280)
(Decrease)/ Increase in Trade and other Payables	308,900	2,278,102
Changes of Working Capital items	(9,585,706)	(15,785,178)
Net Cash flows from operating Activities	59,855,124	(10,308,678)
Cash flows from investing activities		
Property, plant and equipment	-	(9,270,000)
	-	(9,270,000)
Cash flows from Financing activities	-	-
Net cash flows changes for the year	59,855,124	(19,578,678)
Cash and cash equivalents at beginning of the year	(59,613,029)	(40,034,351)
Cash and cash equivalents at the end of the year	242,095	(59,613,029)

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, 2017****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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2017

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 2017	5,925,015	4,173,750	2,296,880	12,395,645
Additions	-	-	-	-
As at 31.12.2017	5,925,015	4,173,750	2,296,880	12,395,645
Depreciation				
Charge for the year	1,481,254	521,719	861,330	2,864,303
	1,481,254	521,719	861,330	2,864,303
NET BOOK VALUE				
As at 31.12.2017	4,443,761	3,652,031	1,435,550	9,531,343

SMALL ENTERPRISES INSTITUTIONAL DEVELOPMENT LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2017

	31.12.2017	31.12.2016
NOTE: 3 INVENTORIES		
Flippo, Charts, Maker and Pens	560,000	1,200,000
	<u>560,000</u>	<u>1,200,000</u>
NOTE: 4 TRADE AND OTHER RECEIVABLES		
MIVARF/PMO/IFAD Consultancy	88,980,031	78,445,425
	<u>88,980,031</u>	<u>78,445,425</u>
NOTE: 5 CASH AND CASH EQUIVALENTS		
Cash at Bank	242,095	152,078
	<u>242,095</u>	<u>152,078</u>
NOTE: 6 BANK OVERDRAFT		
CRDB Bank	-	-
	<u>-</u>	<u>-</u>
NOTE: 7 TRADE AND OTHER PAYABLES		
Zone Insurance Agency		2,527,500
NSSF contribution	-	-
Audit fees	1,500,000	1,000,000
Payee	-	-
Other payables	59,792,607	60,000,000
	<u>61,292,607</u>	<u>63,527,500</u>
NOTE: 8 REVENUE		
MIVARF - PMO Project	296,339,840	296,339,840
SNV & Other Consultancies	-	-
	<u>296,339,840</u>	<u>296,339,840</u>
NOTE: 9 MIVARF REIMBURSABLE COST		
MIVARF - PMO Project	296,339,840	338,957,000
SNV & Other Consultancies		25,101,000
	<u>296,339,840</u>	<u>364,058,000</u>
NOTE: 10 OPERATING EXPENDITURE		
Salaries and wages	16,200,000	12,600,000
Consultancy costs-SNV	-	10,250,000
NSSF employer's contribution	780,000	1,260,000
Bank charges	2,504,000	2,104,000
Electricity bill	1,920,000	1,200,000
Transport cost	7,166,380	568,000
Telephone charges	2,410,000	960,000
Security and cleanliness Costs	1,452,000	1,200,000
Office rent	4,576,777	4,200,000
Office expenses	8,489,273	1,996,000
	<u>45,498,429</u>	<u>36,338,000</u>