Maternity Africa

COMPANY LIMITED
(a company Limited by Guarantee not having share Capital)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

ANCASSOCIATES
Certified Public Accountants in Public Practice
Audit and Assurance · Tax Consultants · Transactions and Advisory Services

MATERNITY AFRICA COMPANY LIMITED
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DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

TABLE OF CONTENTS

LIST OF ABBREVIATIONS

CRDB	Corporate Rural Development Bank
CCBRT	Comprehensive Unity Based Rehabilitation in Tanzania
ISA	International Standards on Auditing
TRA	Tanzania Revenue Authority
CRJE	China Railway Jianchang Engineering
NBAA	National Board of Accountants & Auditors
IFRS	International Financial Reporting Standards
NSSF	National Social Security Funds
FCPA-PP	Fellow Certified Public Accountant in Public Practice
USD	United States Dollar
TZS	Tanzanian Shillings
CSR	Corporate Social Responsibility

MATERNITY AFRICA COMPANY LIMITED
(a Company Limited by Guarantee not having Share Capital)

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017

PRINCIPAL PLACE OF ACTIVITIES	Plot No.181,Kivulini Estate Olosiva District Arumeru, P.O. Box 16464 Arusha, Tanzania. Tel: +255 27 254 3192/4
REGISTERED OFFICE	Plot No.181,Kivulini Estate Olosiva District Arumeru P.O. Box 16464 Arusha, Tanzania. Tel: +255 27 254 3192/4
BANKERS	CRDB Bank Plc Ngaramtoni Service Centre, Arusha Branch P.O. Box 1377 Arusha,Tanzania Tel: +255(0) 737 210 536 Email: httpp/www.crdbbank.com
COMPANY LAWYERS	Kisali & Co. No.49 Haile Selassie Road Phone: (0)27-254-5260 P.O.Box 6251, AICC Building, Arusha - Tanzania
EXTERNAL AUDITORS	ANC ASSOCIATES Certified Public Accountants in Public Practice 3rd Floor,Safari Hotel Business Centre, Room 406 India Street, P.O. Box 2165 Arusha, Tanzania. Email: info@ancassociates.co.tz Website: www.ancassociates.co.tz

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

1. INTRODUCTION

The Board of Directors of the Maternity Africa Company Limited is pleased to present this report and audited financial statements for the financial year ended 31st December 2017, which disclose the state of affairs of the company for the year under review.

2. INCORPORATION

Maternity Africa Company Limited was incorporated on 6th September 2013 under the Companies Act of 2002 as a Company Limited by Guarantee and not having a share capital, and issued with certificate of Incorporation number 102204.The liability of the members is limited to the amount not exceeding TZS 500,000.

The Company pursues charitable (not-for-profit) objectives and its Constitution requires that the income and property of the Company shall be applied solely towards promotion of the objectives of the Company as set forth in the Memorandum and Articles of Association and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, gift, division, bonus or otherwise by way of profit to the members of the Company.

3. MATERNITY AFRICA'S MISSION

The mission of Maternity Africa is: We are a Christian based organization who endeavors to provide fistula treatment and quality maternity care for all marginalized women throughout Africa, through clinical excellence and in the example of displaying love, kindness and compassion regardless of race, religion or ethnicity.

4. MATERNITY AFRICA'S VISION

Our vision is to make child birth safe for every woman.Our prayer is to act justly and to love mercy and to walk humbly with our God.

5. MAIN OBJECTIVES OF ORGANISATION

The following are main objectives of MATERNITY AFRICA as outlined in its Constitution:

- To contribute to the improvement of maternal health outcomes in the country aiming in particular to reach out to the poor and marginalized women so as to improve their health status and overall well-being.;
- To strengthen capacity for the provision of high quality emergency obstetric care;
- To improve access to high quality treatment of obstetric fistula and other birth injuries;
- To support partners and coordinate activities for improves maternal health and well-being including for fistula;
- To work closely with existing hospitals and health centre's to improve maternal health planning provision so that women can receive the best care available within the available resources;
- To work with Ministry of Health Officials and align the institutional works with the plans of the government and collaborate on addressing gaps and develop a relationship that promotes on-going learning of good practices lessons that can be used in other parts of the country.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors of the Company at the date of this report and who have served since September 2016 except where otherwise stated, are:

S/N	NAME	POSITION	AGE	QUALIFICATION / DESCLIPLINE	NATIONALITY	APPOINTED	DATE OF APPOINTMENT/ RESIGNATION/
1.	Wilfred Mlay	Chairman of the Board	72	Professor	Tanzanian		October 2015
2.	Monica Ndege	Director		Midwife	Tanzanian		February 2017
3.	Esther D Mwaikambo	Director	77	Professor	Tanzanian	Appointed	September 2014
4.	Goodwin Elinaja Kimaro	Director	64	Businessman	Tanzanian	Appointement Pending	December 2017
5.	Happiness Peter Mwamasika	Director	36	Independent consultant	Tanzanian	Appointed	February 2016
6.	Andrew James Browning	Director	48	Doctor	Australian	Appointed	September 2014
7.	Judith Holden	Director/ Secretary	52	Midwife	British	Appointment pending	December 2017

The Company secretary as at 31st December 2017 was Ms Judith Holden

6.DONORS DURING THE YEAR

During the year the company received grants from the following Donors:

NAMES OF DONORS		2017 USD	2017 TZS
Planet Wheeler		24,990	-
DAK		45,049	-
CCBRT		58,604	43,149,052
Fulmer		19,572	-
Impact		94,605	-
Days for Girls		3,561	-
LAD		291,294	-
Seagal		29,902	-
Fistula Foundation		156,760	-
One-by-one & Open Road		102,219	-
		826,556	43,149,052

7.CORPORATE GOVERNANCE

The Board of Maternity Africa consists of 7 Directors, apart from the Country Director, no other directors hold executive positions in the Company. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is 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 Board is required to meet at least four times a year. The Board delegates the day to day management of the business to Managing Director assisted by senior management. Senior Management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

During the year the Board of Maternity Africa Limited has the following board sub-committees to ensure a high standard of corporate governance throughout the company.

Board governance and policy review Committee (1st committee)
The Board governance and policy committee reports to the general committee.The Committee met during the main board meetings 4 times during the year, Members of the Committee who served to the date of this report were:-

S/N	NAME	POSITION	QUALIFICATION / DESCLIPLINE	NATIONALITY
1.	Prof Wilfred Mlay	Board chair	Professor	Tanzanian
2.	Happiness Mwamasika	Director	Independent consultant	Tanzanian
3.	Andrew Browning	Director	Doctor	Australian

Finance, Audit and Risk Committee (2nd committee)
The Finance, Audit and policy committee reports to the general committee.The Committee met during the main board meetings 4 times during the year Members of the Committee who served to the date of this report were:-

S/N	NAME	POSITION	QUALIFICATION / DESCLIPLINE	NATIONALITY
1.	Esther Mwaikambo	Director	Professor (doctor)	Tanzanian
2.	Andrew Browning	Director	Doctor	Australian

Strategy Committee(3rd Committee)

The strategy committee reports to the general committee. The Committee met during the main board meetings 4 times during the year. The Board met 4 times during the year.Members of the Committee who served to the date of this report were:-

S/N	NAME	POSITION	QUALIFICATION / DESCLIPLINE	NATIONALITY
1.	Prof Wilfred Mlay	Board chair	Professor	Tanzanian
2.	Esther Mwaikambo	Director	Doctor	Tanzanian
3.	Happiness Mwamasika	Director	Independent consultant	Tanzanian
4.	Andrew Browning	Director	Doctor	Australian

8. CAPITAL STRUCTURE

The company is a company limited by guarantee.

9. MANAGEMENT

The Management of the Company is under the Country Director and is organized in the following departments.

- Clinical
- Administration

10.SHAREHOLDERS OF THE COMPANY

Maternity Africa has no shareholders as it is a company limited by guarantee.

11.FUTURE DEVELOPMENT PLANS

Over the last 2 years Maternity Africa has been constructing a new maternity centre, Kivulini Maternity Centre, on the edge of Arusha in Ngarmtoni ya Chini. The 48 bed centre will open in the first half of 2018 and when it is operating at capacity we estimate there will be up to 2,500 births and 10,000 antenatal visits annually and 120 fistula and birth injury surgeries, 500 early pregnancy complications and 1,200 family planning consultations.

12.PERFORMANCE FOR THE YEAR

The performance is based on Maternity Africa working alongside existing partner organizations, Materity Africa has been working alongside 2 other partner organizations in Tanzania to provide information to keep mothers and babies healthy, treat obstetric fistula and deliver quality medical care and training to ensure safer deliveries.

Seliani Lutheran Hospital

Maternity Africa continued to support the hospital service delivery by providing fistula services and offering training to build capacity within the obstetric unit.

Dareda Hospital

Maternity Africa continued to support service delivery by sending our volunteer midwives who served alongside the national workforce to deliver care maternity care-including access to emergency care including caesarean sections.

FACILITY	DELIVERIES	FISTULA (and related birth injuries)
Seliani Lutheran Hospital	1384	180
Dareda	2705	-

13.RISK MANAGEMENT AND INTERNAL CONTROL

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

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business 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 company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 2017 and is of the opinion that they met accepted criteria.

14. SOLVENCY

The Board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that Maternity Africa Limited has adequate resources to continue in operational existence for the foreseeable future.

15. EMPLOYEES' WELFARE

(i) Management and Employees' Relationship

There were continued good relation between employees and management for the year 2017. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and trade union. The company is 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.

(ii) Training Facilities

When presenting its annual budget for the year 2017, the company put aside a sum of TZS 49,039,320 for staff training in order to improve employee's technical skills and hence effectiveness (previous year TZS 77,927,937 which included both Seliani Lutheran Hospital, Dareda and 2 Ethiopian projects in Barhidar and Mille). Training programs has been and are continually being developed to ensure employees are adequately trained at all levels, all employees have some form of annual training to upgrade skills and enhance development.

(iii) Medical Assistance

All members of staff with a maximum number of four beneficiaries (dependents) for each employee were availed medical insurance guaranteed by the Board. Currently these services are provided by National Health Insurance Fund.

(iv) Health and Safety

The company has a robust health and safety culture that promotes a high standard of safety within the working environment at both Seliani Lutheran Hospital.

Hospital and Derada and ensures that all employees are provided with adequate proper Personal Protective Equipment(PPE), training and Supervision as required. This ensures that safety prevails at all times.

(vi) Financial Assistance to Staff
The policy of Maternity Africa is not to offer loans to Employees.

(vii) Persons with Disabilities
Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort would be made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

(viii) Employees Benefit Plan
Maternity Africa pays contributions to a number of publicly administered pension plans which are selected by the staff themselves. This is on a mandatory basis for national employees which qualifies to be a defined contribution plan.

The average number of employees during the year was 6.

16. GENDER PARITY
The company had 6 employees, out of which 3 were male and 3 were female.

17. RELATED PARTY TRANSACTIONS
There were no related party transactions throughout the year.

18. POLITICAL AND CHARITABLE DONATIONS
Ultramet District Hospital, Arusha District were donated a delivery bed and a resusitaire for neonatal support to support the service delivery in the maternity unit.

19. ENVIRONMENTAL CONTROL PROGRAMME
Maternity Africa undertook an environmental Impact Assessment in order to review all operations and their effect on staff, neighbors and surrounding environment to the new Kivulini Maternity Centre. This was not completed within 2017.

20. CORPORATE SOCIAL RESPONSIBILITY

Maternity Africa is funded by charitable donations and is a non-profit making orginisation that offers all services for free so has no policy for CSR.

21. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

22. AUDITORS

The auditors ANC Associates have expressed their willingness to continue in office and are eligible for reappointment. A resolution proposing the re-appointment as auditor of the Company for the year 2018 will be put to the Annual General Meeting.

Approved by the board of directors on 08 DEC 2018 and signed on its behalf by:

CHAIRMAN	08 DEC 2018 DATE
DIRECTOR	8/12/2018 DATE

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DECLARATION OF 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 Trustees'/Governing Body/Management 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 Directors/Governing Body as under Directors Responsibility.
I..Lister Gerald........being the Head of Finance/Accounting of **MATERNITY AFRICA COMPANY LIMITED I** hereby acknowledge my responsibility of ensuring that financial statements for the year ended **31st December 2017** 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 **MATERNITY AFRICA COMPANY LIMITED** as on that date and that they have been prepared based on properly maintained financial records.

Signed by: ....

Position........ACCOUNTANT

NBAA Membership No....GA 4189

Date: 21ST DECEMBER 2018

REPORT OF THE INDEPENDENT AUDITORS

To the Members of the Board of

MATERNITY AFRICA COMPANY LIMITED
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Report on the Audit of the Financial Statements

Opinion
We have audited the Financial Statements of **Maternity Africa Company Limited** which comprise the Statement of Financial Position as at 31 December 2017, and the Statement of Profit or Loss, 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 present fairly, in all materials respects, the financial position of the **Maternity Africa Company Limited** as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with *International Financial Reporting Standards (IFRSs)*

Basis for Opinion
We conducted our audit in accordance with *International Standards on Auditing (ISAs)*. Our responsibilities under those standards are further described in our Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity 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.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.During the period under review we have not come up with the significant key issues which need to be reported.

Report on the Audit of the Financial Statements Responsibilities of Management and those charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the control as management 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, management is responsible for assessing the entity'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 entity or to cease operations, or has no

To the Members of the Board of

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realistic alternative but to do so.Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' 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 auditors' 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 International Standards on Auditing (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.

Report on other Legal Requirements

As required by the Companies Act 2002 we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and

iii) The statement of Profit or loss and statement of financial position are in agreement with the books of account.

ARUSHA

21/12/2018

Managing Partner
CPA ALEXANDER N. CHONJO, FCPA PP [840]
ANC ASSOCIATES CERTIFIED PUBLIC ACCOUNTANTS

ANC Associates P.O.Box 2165 Arusha Tel: +255 737205414 Certified Public Accountants in Public Practice

MATERNITY AFRICA COMPANY LIMITED

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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
REVENUE	**Notes**	**TZs**	**TZs**
Received from Donors	3.1	583,824,691	1,159,524,295
Other Income	3.2	99,370,953	-
Revenue Received during the year		683,195,644	1,159,524,295
EXPENDITURE			
Direct expenses	4	484,226,480	808,736,045
Administration expenses	5	371,618,255	354,253,945
Finance expenses	6	6,847,880	8,010,382
Total expenses		862,692,615	1,171,000,372
Operating Deficit		(179,496,971)	(11,476,077)

These financial statements were approved by the Board of Directors on....8|..12.......2018 and signed on its behalf by:

....

Prof. WILFRED MLAY
Board's Chairman

....

JUDITH HOLDEN
Director / Secretary

MATERNITY AFRICA COMPANY LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

ASSETS	Note	2017	2016
NON - CURRENT ASSETS		TZS	TZS
Property Plant and Equipment	7	810,150,784	128,099,944
Capital work in progress	8	4,338,286,667	1,172,076,766
		5,148,437,451	1,300,176,710
CURRENT ASSETS			
Cash and Cash equivalent	9	2,403,862,264	4,573,292,833
		2,403,862,264	4,573,292,833
TOTAL ASSETS		7,552,299,715	5,873,469,543
EQUITY AND LIABILITIES			
Accumulated funds/(Deficit)		(70,913,295)	108,583,677
NON- CURRENT LIABILITIES			
Capital Grants	10	7,576,934,678	5,744,467,475
CURRENT LIABILITIES			
Payables	12	46,278,332	20,418,391
TOTAL EQUITY AND LIABILITIES		7,552,299,715	5,873,469,543

The financial statements were Approved by the Board of Directors on 8/12/2018.....and signed on behalf by:-

....

Prof. WILFRED MLAY
Board's Chairman

....

JUDITH HOLDEN
Director /Secretary

MATERNITY AFRICA COMPANY LIMITED

(a company Limited by guarantee not having a share capital)

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

	Accumulated Funds/(Deficits)	Total
	TZS	TZS
At 1st January 2017	108,583,677	108,583,677
Deficit for the year	(179,496,971)	(179,496,971)
At 31st December 2017	**(70,913,295)**	**(70,913,295)**
At 1st January 2016	120,059,753	120,059,753
Deficit for the year	(11,476,077)	(11,476,077)
At 31st December 2016	**108,583,677**	**108,583,677**

The financial statements were Approved by the Board of Directors on .8.|.12.|.2018.....and signed on behalf by:-

Prof. WILFRED MLAY	**JUDITH HOLDEN**
Board's Chairman	**Director / Secretary**

MATERNITY AFRICA COMPANY LIMITED
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STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES	**Notes**	**TZS**	**TZS**
Operating Deficit for the year		(179,496,971)	(11,476,077)
Adjustment for items not involving movement of funds			
- Depreciation		76,414,288	58,847,094
Operating surplus /(Deficit) before working capital changes		**(103,082,683)**	47,371,018
Decrease in Receivables		-	29,684,895
Increase in Payables		25,859,941	20,418,391
Net cash in flows/(outflow) from operating activities		**(77,222,743)**	**97,474,304**
CASH FROM INVESTING ACTIVITIES			
Acquisation of Non-Current Assets		(758,465,129)	(82,185,911)
Capital Work in Progress		(3,166,209,901)	(1,141,473,406)
Net cash outflows from investing activities		**(3,924,675,029)**	**(1,223,659,317)**
CASH FROM FINANCING ACTIVITIES			
Grant - Financed Capital Expenditure		1,832,467,203	5,556,260,645
Net cash out flows/inflows from financing operations		**1,832,467,203**	**5,556,260,645**
Net increase/Decrease in Cash and Cash equivalent		**(2,169,430,570)**	**4,430,075,632**
CASH AND CASH EQUIVALENT			
Beginning of the year		4,573,292,834	143,217,202
End of the year	**9**	**2,403,862,264**	**4,573,292,834**

These financial statements were Approved by board of Directors on 08/12/2018 and signed on behalf by:-

Prof. WILFRED MLAY
Board's Chairman

JUDITH HOLDEN
Director / Secretary

NOTES

1. GENERAL INFORMATION

Maternity Africa Company Limited was incorporated on 6th September 2013 under the Companies Act of 2002 as a Company Limited by Guarantee and not having a share capital, and issued with certificate of Incorporation number 102204.The liability of the members is limited to the amount not exceeding TZS 500,000.

The company pursues charitable (not-for-profits) objectives and its constitution requires that the income and property of the company shall be applied solely towards promotion of the objectives of the company as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, gift, division, bonus or otherwise by way of profit to the members of the company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1. Basis of preparation

The financial statements have been prepared under the historical cost convention. Historical Cost is generally based on the fair value of the consideration given in exchange of assets

2.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

2.3 The principal accounting policies are set out below:

a) Revenue recognition

Revenue for the company is mainly in form of grants and from donors.

i) Donors Income

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

NOTES

When the grant relates to an expense item is received, it is recognised as income over a period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where there is no basis existing for allocating a grant to periods other than the one in which it was received, grant is recognised on receipt basis.

Where the company receives non-monetary grants, the asset and the grant are recorded at fair value amounts and released to the income statement over the expected useful life of the underlying assets by equal annual instalment.

Other income from donors are recognised to the extent that it is probable that the economic benefits will flow to the company and income can be reliably measured.

b) Operating expenses

Operating expenses are recognized on an accrual basis.Hence,expenditures incurred and their associated liabilities are recognized in the income and expenditure statement at the accounting period in which they occur, regardless of whether or not the payment of expense is made.

c) Foreign currency translation

Transactions in currencies other than Tanzania Shillings are recorded at rates prevailing at the transactions dates.Monetary assets and liabilities that are denominated in foreign currencies are translated into Tanzania Shillings at rates prevailing at the balance sheet date. The resulting differences from conversion and translation are dealt with in the income statement.

d) Income tax

The company is subject to exemption from Income Tax as it is engaged solely in charitable activities without profit motive. However, it has to withhold tax from its employees and from service providers then they submit it to Tanzania Revenue Authority.

e) Plant and Equipment

Plant and Equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Major replacement of parts of property or equipment is recognized as individual assets with specific useful live and depreciation, respectively. All other repairs and maintenance expenses related to equipment are charged to the statement of comprehensive income in the year in which they are incurred.

NOTES

Depreciation is calculated in the straight-line method to write off the cost of each asset, to their residual value over its estimated useful life as follows:

Motor vehicle	25%		
Furniture and fittings	12.5%	Medical Equipment	25%
Computer & Accessories	33.3%		
Plant & Machinery	25%		

An item of equipment and any significant part initially recognised is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at banks and in hand and short term deposits. For the purposes of statement cash flows, cash and cash equivalents comprise cash and cash equivalents defined above.

g) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation.

h) Pension and other post-employment benefits

Obligations to defined retirement benefit plans are charged as an expense as they fall due. Payments to statutory retirement benefit scheme, NSSF, are dealt with as payments to defined contribution plans where the company's obligations under the scheme are equivalent to those arising in a defined contribution retirement plan.

i) Impairment of Assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that an asset or a group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount.

NOTES

j) Trade and other payables

Liabilities for the trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company

NOTES

		2017	2017	2016
3	**REVENUE**	**2017**	**2017**	**2016**
3.1	**Grants from Donors**	**USD**	**TZs**	**TZs**
	Plannet Wheeler	24,990	54,766,585	-
	DAK	45,049	98,799,254	-
	CCBRT	58,604	171,953,841	-
	Fulmer	19,573	43,508,885	-
	Impact	94,605	207,005,354	-
	Days for Girls	3,561	7,790,772	-
	Received from all donors	-	-	1,159,524,295
		246,382	**583,824,691**	**1,159,524,295**

The overall funds received from Donors as Grants were USD 246,382, The funds were received through CRDB Accounts and were translated to Tanzanian shillings (TZS) on the exchange rate ruling on the date of transactions.

3.2	**Other Income**			
	Fundraising- TZs	N/a	1,627,000	-
	Fundraising- USD	6,773	15,036,470	-
	Donors for Bursary- USD	6,021.64	13,252,813	-
	Other-USD	3,529.20	7,965,822	-
	Gain on foreign exchange	N/a	61,488,848	-
		16,323.84	**99,370,953**	-

Fundraising USD was raised within Tanzania from fundraising events. All other USD was raised overseas.

NOTES

		2017 TZs	2016 TZs
4	**DIRECT EXPENSES**		
	Fistula Expenses	197,609,980	346,685,293
	Obsetrics Expenses	60,904,700	-
	Trainings Expenses	6,951,252	48,541,540
	Media Expenses	-	34,725,394
	Volunteers Expenses	156,645,524	314,011,469
	Outreach Expenses	62,115,024	64,772,349
		484,226,480	**808,736,045**

		2017 TZs	2016 TZs
5	**ADMINISTRATION EXEPENSES**		
	Salaries & Wages	105,168,443	130,214,690
	Contingency Expenses	8,321,840	-
	Legal Fees Expenses	28,594,097	-
	Stipend Exenses	3,150,000	-
	Linen Expenses	650,000	-
	Office Supplies	5,078,500	-
	Import Expenses	10,133,818	-
	Travelling Expenses	8,935,988	-
	Communication Expenses	639,291	-
	Recruitment Expenses	2,394,000	-
	IT Consumables	2,196,947	-
	Depreciation	76,414,288	58,847,094
	Environmental Expenses	8,041,500	-
	Construction Training	700,000	-
	Other Administration Expenses	2,743,954	92,542,225
	Gardening Expenses	5,160,000	-
	NHIF Contribution	1,489,560	-
	Pension	5,507,580	
	Workers Compensation	1,771,520	-
	Skills Development levy	5,315,038	-
	Balance carried forward	**282,406,364**	**281,604,009**

NOTES

		2017 TZs	2016 TZs
	Balance brought forward	**282,406,364**	**281,604,009**
	Board Meeting Expenses	1,355,000	-
	Staff Support	2,040,000	
	Training Video Expenses	19,861,209	-
	Fundrising Expenses	4,808,881	-
	Motor Vehicle Registration	1,010,000	-
	Work Permits	12,150,553	-
	Loss on Foreign Exchange	-	918,465
	Insurance	6,231,795	-
	Maintainance Expenses	16,247,756	29,788,920
	Bursery/Scholarship	15,897,500	41,942,552
	Audit Fees	5,000,000	-
	Fuel Expenses	4,609,197	-
		371,618,255	354,253,945
6	**FINANCE EXPENSES**		
	Bank Charges	6,847,880	8,010,382

NOTES

7 PROPERTY, PLANT AND EQUIPMENT

	Land	Furniture & Equipment	Medical Equipments	Plant & Machinery	Computer & Accessories	Motor Vehicles	Total
Cost/ Value	TZs	TZs	TZs	TZs	TZs	TZs	TZs
At 1 January 2017	-	20,057,867	53,841,095	-	7,036,000	146,699,061	227,634,023
Additions	542,360,720	-	-	106,063,370	16,663,439	93,377,600	758,465,129
At 31 December 2017	**542,360,720**	**20,057,867**	**53,841,095**	**106,063,370**	**23,699,439**	**240,076,661**	**986,099,152**
Depreciation		12.5%	25%	25%	33.3%	25%	
At 1st January 2017	-	6,816,541	18,297,559	-	3,859,828	70,560,151	99,534,079
Charge for the year	-	2,507,233	13,460,274	9,797,883	6,232,491	44,416,407	76,414,288
At 31 December 2017	-	9,323,774	31,757,833	9,797,883	10,092,319	114,976,558	175,948,367
Net Carrying Amount							
At 31 December 2017	542,360,720	10,734,093	22,083,262	96,265,487	13,607,120	125,100,103	810,150,784
At 31 December 2016	-	13,241,326	35,543,536	-	3,176,172	76,138,910	128,099,944

The value of land amounted to USD242,000 which is equivalent to TZs 542,360,720 was donated by the Enduarace Estate Limited in the year 2015 but was not recognized in the books of account ,now recognized in the year 2017 by prospective application as per IAS 8, the amount was arrived by backward recalculation using a 10% Capital Gain Tax of USD 22,000 paid to TRA by the Maternity Africa Company Limited.

NOTES

		2017	2016
8	**CAPITAL WORK IN PROGRESS**	**TZs**	**TZs**
	Openning balance	1,172,076,766	30,603,360
	Additions during the year	3,166,209,901	1,141,473,406
		4,338,286,667	1,172,076,766

Capital work in Progress decribes the on going costruction of the buildings of Maternity of Africa Hospital by M/s CRJE (East Africa) Limited, which started in 2016 whose construction is expected to be fully completed in the year 2018.

		Foreign Currency		
9	**CASH AND CASH EQUIVALENT**			
	CRDB Construction account - TZs	N/a	43,509,170	21,928,332
	CRDB Construction account - USD	893,608	2,002,717,519	4,112,341,135
	CRDB Operation account - TZs	N/a	6,937,900	4,706,674
	CRDB operation account - USD	156,643	350,657,676	433,707,992
	Cash on Hand	N/a	40,000	608,700
		1,050,251	2,403,862,264	4,573,292,833
10	**CAPITAL GRANTS**			
	Openning balance	N/a	5,744,467,475	268,567,741
	Addition during the year	580,175	1,832,467,203	5,475,899,734
			7,576,934,678	5,744,467,475

Capital grants describe funds received from Donors for the support of the ongoing construction of the Buildings for establishment of the Maternity of Africa Hospital. The Amortization of Capital grants will immediately start after the completion of the buildings and when the buildings start to be fully utilised.

NOTES

11 SHARE CAPITAL

The company is limited by Guarantee and does not have a share capital. The liability of each members of the company in the event of winding up is limited to TZs 500,000.

	2017	2016
12 PAYABLES	TZs	TZs
Trade payables	41,278,332	20,418,391
Audit fees payable	5,000,000	-
	46,278,332	20,418,391

13 INCORPORATION

Maternity Africa operates as a registered Company, limited by guarantee with no share capital.

14 COMPARATIVE

Where necessary comparative figures have been adjusted to conform with changes in the current year presentations

15 EVENTS AFTER REPORTING PERIOD

There were no any events subsequent to the date of the financial statements up to the date of issuing them, which would require adjustments or disclosure in the financial statements in accordance with the requirement of the generally accepted accounting principles.

16 CONTINGENT LIABILITIES

The Company is not aware of any contingent liability or commitments

17 TAXATION

Maternity Africa Company limited is subject to exemption from Income taxes provided at least 75% of its income is applied in pursuit of the organisation functions.

NOTES

18 FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company manages credit risk by maintaining the long term contracts with donors for grants financing.

(b) Currency risk

Foreign currency risk is the risk that the company future cash flows will fluctuate because of changes in foreign exchange rates. Grants from donors are committed in foreign currency and converted into Tanzanian shillings at the rate ruling on the receipt date.

(C) Liquidity risk

The company monitors the risk of shortage of funds through forecast of future cash flows to meet its obligations and pursue long-term contractual commitments with donors

19 GOING CONCERN

The Going Concern of Maternity of Africa depends upon donors continuing to contribute funds for the company to enable it to deliver services as planned.

20 CURRENCY

These financial statements are presented in Tanzania Shillings (TZS.)