Maternity Africa

Making childbirth safe

MATERNITY AFRICA LIMITED

(a Company Limited by Guarantee not having Share Capital)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

ANCASSOCIATES

Certified Public Accountants in Public Practice

Audit and Assurance - Tax Consultants - Transactions and Advisory Services

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

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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LIST OF ABBREVIATIONS

ACPA-PP	Associate Certified Public Accountant in Public Practice
CCBRT	Comprehensive Community Based Rehabilitation in Tanzania
CRDB	Corporate Rural Development Bank plc
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
PAYE	Pay As You Earn
PPF	Parastatal Pension Fund
PSSSF	Public Services Social Security Fund
SDL	Skills Development Levy
TRA	Tanzania Revenue Authority
TZS	Tanzanian Shilling
USD	United States Dollar
WCF	Workers Compensation Fund
WIP	Work In Progress

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2018

PRINCIPAL PLACE OF ACTIVITIES	Plot No.181, Kivulini Estate Olosiva District Arumeru, P.O. Box 16464 Arusha, Tanzania. Tel: +255 27 254 3192/4 Email: info@maternityafrica.org Website: www.maternityafrica.org
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

1. INTRODUCTION

The Board of Directors of Maternity Africa Limited is pleased to present this report and audited financial statements for the financial year ended 31 December 2018, which disclose the state of affairs of the Company for the year under review.

2. INCORPORATION

Maternity Africa Limited was incorporated on 6 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: Maternity Africa is a Christian-based organization that endeavours 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

Maternity Africa's 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 the 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 improving maternal health and well-being including for fistula patients;
- To work closely with existing hospitals and health centres to improve maternal health planning provision so that women can receive the best care available within the available resources;
- To work with Officials from the Ministry of Health, Community Development, Gender, Elderly and Children 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 practice lessons that can be used in other parts of the country.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors of the Company who have served at the date of this report are:

S/N	NAME	POSITION	AGE	QUALIFICATION / DESCLIPLINE	NATIONALITY	APPOINTED	DATE OF APPOINTMENT
1.	Wilfred Mlay	Chairman of the Board	73	Professor	Tanzanian	Appointed	Oct 2015
2.	Monica Ndege	Director	59	Midwife	Tanzanian	Appointed	Feb 2017
3.	Esther D.Mwaikambo	Director	78	Professor	Tanzanian	Appointed	Sep 2014
4.	Goodwin Elinaja Kimaro	Director	65	Businessman	Tanzanian	Appointed	Dec 2017
5.	Happiness Peter Mwamasika	Director	37	Independent consultant	Tanzanian	Appointed	Feb 2016
6.	Andrew James Browning	Director	49	Doctor	Australian	Appointed	Sep 2014
7.	Judith Holden	Director/ Secretary	53	Midwife	British	Appointed	Dec 2017

The Company secretary as at 31 December 2018 was Ms Judith Holden.

6. DONORS DURING THE YEAR

During the year the Maternity Africa received grants from the following Donors:

NAMES OF DONORS		2018 USD	2018 TZS
Barbara May Foundation		161,045	362,714,982
CCBRT		5,134	11,777,400
Fistula Foundation		164,037	370,838,409
IMPACT Foundation		41,409	93,769,451
Large Anonymous Donor		176,330	404,511,600
Segal Family Foundation		29,882	68,103,017
Inkind Gifts & Donations		-	49,168,868
Other Donors		1,895.52	4,347,313
		579,733	1,365,231,040

7. CORPORATE GOVERNANCE

The Board of Maternity Africa consists of 7 Directors. Apart from the Chief Executive Officer and 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 the Country 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 had 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 Review Committee reports to the General Committee. The Committee met as necessary during the main Board meetings 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 Peter Mwamasika	Director	Independent consultant	Tanzanian
3.	Judith Holden	Director	Midwife	British

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

S/N	NAME	POSITION	QUALIFICATION / DESCLIPLINE	NATIONALITY
1.	Godwin Kimaro	Director	Financial Consultant	Tanzanian
2.	Judith Holden	Director	Midwife	British
3.	Elizabeth Walsh	Finance administrator	Accountant	Australian

Strategy Committee(3rd Committee)

The Strategy Committee reports to the General Committee. The Committee met as necessary during the main board meetings 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 Peter Mwamasika	Director	Independent consultant	Tanzanian
4.	Judith Holden	Director	Midwife	British

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

Mateniy Africa officially opened its brand new hospital, Kivulini Maternity Centre on 9 June 2018. It is situated at Ngaramtoni ya Chini, close to the city of Arusha. The 48-bed facility commenced service delivery with a fistula camp commencing May 2018, and opened to maternity and famly planning patients shortly afterwards.

Maternity Africa's strategic planning involves gradually increasing the number of women accessing care at Kivulini Maternity Centre.

Maternity Africa's annual service delivery targets are:

- Up to 2,500 births;
- Up to 10,000 antenatal visits;
- Up to 150 fistula and birth-induced injury surgeries;
- Up to 1,200 family planning consultations (for external clients); and
- Practical skills development for up to 60 skilled birth attendants working at other healthcare facilities in the Arusha Region.

Maternity Africa also expects to manage more surgeries for early pregnancy complications.

Maternity Africa provides all of its services free of charge to the vulnerable and marginalized women it serves.

12. CLINICAL PERFORMANCE FOR THE YEAR

Maternity Africa opened its doors for service on 28 May 2018 (slightly behind schedule because of delays encountered with importing containers), with its official opening ceremony taking place on 9 June 2018. We successfully commenced all three programmes -Maternity, Fistula Treatment and Family Planning.

Maternity met our targets for the number of deliveries.

The delay to the opening date resulted in Maternity Africa holding three fistula camps instead of four, so we treated fewer fistula patients than anticipated.

We serve two categories of client in our Family Planning unit: (a) maternity and fistula patients; and (b) walk-in clients from the local community. Government restrictions on publicising family planning services during part of the year resulted in fewer walk-in clients.

DELIVERIES	FISTULA (and related birth injuries)	FAMILY PLANNING CONSULTATIONS
453	82	509

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 2018 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 relationships between employees and management for the year ended 31 December 2018. There were no unresolved written complains received by Management from the employees during the year. 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 Arrangements

When presenting its annual budget for 2018, the Company allocated approximately TZS 10 million for staff training in order to improve employees' technical skills and workplace effectiveness. In January 2018, the recruitment process to staff Kivulini Maternity Centre commenced, and an orientation programme took place during April, extending slightly into May because of the delayed arrival of equipment shipped from Australia. The orientation period provided a valuable opportunity to help ensure that the newly recruited clinical, facilities and administration staff were fully trained and equipped, and systems and procedures put in place to welcome the first patients. The time also helped us to ensure that our vision, mission and values were communicated and embraced.

Clinical staff subsequently enrolled on a continuous performance review programme in which they are responsible for ongoing competency development. Training sessions were also been initiated with the Administration staff. All employees have annual performance reviews and opportunities for development. Skills training opportunities are implemented when appropriate needs assessments are completed.

(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. The National Health Insurance Fund currently provides these services.

(iv) Health and Safety

Maternity Africa has a robust health and safety culture, promoting high standards of safety within the working environment. We were reviewed by, currently hold a certificate issued by and are registered with Occupation Safety and Health Authority (OSHA). According to requirements, four staff were trained in order to form an OSHA on-site committee. An external consultant expects to have a formal risk assessment completed by mid 2019. Our official health and safety registration number is ARS/1439, dated to 28 June 2019.

Employees are provided with adequate Personal Protective Equipment (PPE), training and Supervision as required. This helps to ensure that their safety prevails at all times.

(v) Financial Assistance to Staff

Maternity Africa has a policy of not offering loans to Employees.

(vi) Persons with Disabilities

Maternity Africa always considers applications for employment received from persons presenting with a disability(s), bearing in mind the aptitudes of the individual applicant(s). In the event that members of staff become disabled, Maternity Africa makes every reasonable effort to help ensure that their employment continues and appropriate training (if necessary) is arranged. It is Maternity Africa's policy that training, career development and promotion of persons presenting with a disability should, as far as possible, be identical to that of other employees.

(vii) Employee Benefits Plan

Maternity Africa pays contributions to a number of publicly administered pension plans, which are selected by the staff themselves, and which qualify as defined contribution plans. This is a mandatory requirement for national employees.

The average number of employees during the year was 70.

16. GENDER PARITY

Maternity Africa had an average of 70 employees during 2018, of whom 31 were male and 39 were female.

17. RELATED PARTY TRANSACTIONS

There were no related party transactions throughout the year.

18. POLITICAL AND CHARITABLE DONATIONS

Maternity Africa donated a generator, an ultrasound scanner and several other items that were surplus to its requirements to Oltrument District Hospital, helping to support service delivery in its maternity unit.

19. ENVIRONMENTAL CONTROL PROGRAMME

During the year, Maternity Africa undertook an Environmental Impact Assessment in order to review all operations and their effect on staff, neighbors and surrounding environment at Kivulini Maternity Centre.

20. CORPORATE SOCIAL RESPONSIBILITY

Maternity Africa is funded by charitable donations and is a not-for-profit organization that offers all services for free so has no policy for Corporate Social Responsibilty.

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 2019 will be put to the Annual General Meeting.

Approved by the board of directors on 1st June 2019 and signed on its behalf by:

CHAIRMAN	1-6-2019 DATE
DIRECTOR	1/8/2019 DATE

MATERNITY AFRICA LIMITED
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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 CPA JUSTER HERALD being the Head of Finance/Accounting of **Maternity Africa Limited** hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended **31 December 2018** 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 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: 22ND MAY, 2019

REPORT OF THE INDEPENDENT AUDITORS

To the Members of the Board of

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

Report on the Audit of the Financial Statements

Opinion
We have audited the Financial Statements of **Maternity Africa Limited** which comprise the Statement of Financial Position as at 31 December 2018, 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 Limited** as at 31 December 2018, 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

REPORT OF THE INDEPENDENT AUDITORS

To the Members of the Board of

MATERNITY AFRICA LIMITED
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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

4th June 2019

Audit & Assurance Partner
CPA EDWIN ALEXANDER, ACPA PP [3001]
ANC ASSOCIATES CERTIFIED PUBLIC ACCOUNTANTS

ANC ASSOCIATES P.O.Box 2165 Arusha Certified Public Accountants in Public Practice Tel. +255 737206414

MATERNITY AFRICA LIMITED

(a Company Limited by Guarantee not having a Share Capital)

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
REVENUE	**Notes**	**TZS**	**TZS**
Received from Donors	3.1	1,365,231,040	583,824,691
Other Income	3.2	9,918,211	99,370,953
Capital Grant Released	11	256,822,090	-
Revenue Received during the Year		1,631,971,341	683,195,644
EXPENDITURE			
Direct Expenses	4	180,675,758	321,279,704
Administration Expenses	5	1,500,570,429	534,565,031
Finance Expenses	6	6,274,275	6,847,880
Total Expenses		1,687,520,462	862,692,615
Operating Deficit		(55,549,121)	(179,496,971)

These Financial Statements were approved by the Board of Directors on 1st June 2019 and signed on its behalf by:

Prof. WILFRED MLAY
Board's Chairman

JUDITH HOLDEN
Director / Secretary

MATERNITY AFRICA LIMITED

(a Company Limited by Guarantee not having a Share Capital)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

ASSETS	Note	2018	2017
NON - CURRENT ASSETS		TZS	TZS
Property Plant and Equipment	7	6,113,122,610	810,150,784
Capital Work in Progress	8	38,033,118	4,338,286,667
		6,151,155,728	5,148,437,451
CURRENT ASSETS			
Inventories	9	74,841,725	-
Cash and Cash Equivalent	10	1,118,045,855	2,403,862,264
		1,192,887,580	2,403,862,264
TOTAL ASSETS		7,344,043,308	7,552,299,715
EQUITY AND LIABILITIES			
Accumulated Funds/(Deficit)		(126,462,416)	(70,913,294)
NON- CURRENT LIABILITIES			
Capital Grants	11	7,065,114,552	7,576,934,678
CURRENT LIABILITIES			
Payables	13	405,391,172	46,278,331
TOTAL EQUITY AND LIABILITIES		7,344,043,308	7,552,299,715

The Financial Statements were approved by the Board of Directors on ....1st June..........2019 and signed on its behalf by:-

....

Prof. WILFRED MLAY **JUDITH HOLDEN**

Board's Chairman **Director / Secretary**

MATERNITY AFRICA LIMITED

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

	Accumulated Funds/(Deficits)	Total
	TZS	TZS
At 1st January 2018	(70,913,294)	(70,913,294)
Deficit for the Year	(55,549,121)	(55,549,121)
At 31st December 2018	**(126,462,416)**	**(126,462,416)**
At 1st January 2017	108,583,677	108,583,677
Deficit for the Year	(179,496,971)	(179,496,971)
At 31st December 2017	**(70,913,294)**	**(70,913,294)**

These Financial Statements were approved by the Board of Directors on ....1st June....2019 and signed on its behalf by:-

....

Prof. WILFRED MLAY

Board's Chairman

....

JUDITH HOLDEN

Director / Secretary

MATERNITY AFRICA LIMITED

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STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 TZS	2017 TZS
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Deficit for the Year		(55,549,121)	(179,496,971)
Adjustment for items not involving movement of funds			
- Depreciation		310,196,872	76,414,288
- Capital Grant released during the Year	11	(256,822,090)	-
Operating Deficit before working capital changes		(2,174,339)	**(103,082,683)**
Increase in Inventories		(74,841,725)	-
Increase in Payables		359,112,841	25,859,941
Net cash in flows/(outflow) from Operating Activities		**282,096,777**	**(77,222,742)**
CASH FROM INVESTING ACTIVITIES			
Acquisation of Non-Current Assets		(5,613,168,696)	(758,465,129)
Capital Work in Progress		4,300,253,549	(3,166,209,902)
Net cash outflows from Investing Activities		**(1,312,915,148)**	**(3,924,675,031)**
CASH FROM FINANCING ACTIVITIES			
Grant - Financed Capital Expenditure		(254,998,038)	1,832,467,203
Net cash out flows/inflows from Financing Operations		**(254,998,038)**	**1,832,467,203**
Net increase/Decrease in Cash and Cash Equivalent		**(1,285,816,409)**	**(2,169,430,570)**
CASH AND CASH EQUIVALENT			
Beginning of the year		2,403,862,264	4,573,292,834
End of the year	10	**1,118,045,855**	**2,403,862,264**

These Financial Statements were approved by the Board of Directors on ...1st June 2019 and signed on its behalf by:-

....

Prof. WILFRED MLAY
Board's Chairman

....

JUDITH HOLDEN
Director / Secretary

NOTES

1. GENERAL INFORMATION

Maternity Africa 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 other Donations from donors.

i) Donor 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 relating 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, the 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 economic life of the underlying assets by equal annual instalment.

Other income from donors is 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 because it is engaged solely in charitable activities without profit motive. However, it has to withhold tax from its employees and from service providers then it submits 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 lives 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%
Furnitures & Fittings	12.5%
Computers & Accessories	33.3%
Plant & Machinery	25%
Medical Equipment	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.

NOTES

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.

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.

MATERNITY AFRICA LIMITED

(a Company Limited by Guarantee not having a Share Capital)

NOTES

3	REVENUE	2018	2018	2017
3.1	**Direct Income from Donors**	**USD**	**TZS**	**TZS**
	Planet Wheeler	-	-	54,766,585
	Fistula Foundation	164,037	370,838,409	-
	DAK Foundation	-	-	98,799,254
	CCBRT	5,134	11,777,400	171,953,841
	Fulmer Family Trust	-	-	43,508,885
	Large Anonymous Donor	176,330	404,511,600	-
	IMPACT Foundation	41,409	93,769,451	207,005,354
	Barbara May Foundation	161,045	362,714,982	-
	Segal Family Foundation	29,882	68,103,017	-
	Days for Girls	-	-	7,790,772
	Other donors	1,896	4,347,313	-
	Inkind Gifts & Donation	-	49,168,868	-
		579,733	1,365,231,040	583,824,691

3.2	**Other Income**			
	Fundraising- TZS	N/a	-	1,627,000
	Fundraising- USD	6,773	-	15,036,470
	Donors for Bursary	1,653	3,766,021	13,252,813
	Other	1,860	6,152,190	7,965,822
	Gain on exchange	N/a	-	61,488,848
		10,286	9,918,211	99,370,953

NOTES

		2018	2017
		TZS	TZS
4	**DIRECT EXPENSES**		
	Fistula Expenses	62,979,634	164,192,380
	Obsetrics Expenses	-	54,840,000
	Medical Consumables	25,305,081	-
	Bedding & Towels	152,000	650,000
	Drugs	16,682,864	-
	Patient Food	31,165,400	30,413,000
	Patient Uniforms	760,000	2,363,600
	African Outreach Expenses	-	22,660,024
	Sick Baby Expenses	7,456,279	-
	Sick Patient Expenses	2,836,600	6,705,700
	Outreach Expenses	33,337,900	39,455,000
		180,675,758	**321,279,704**
5	**ADMINISTRATION EXEPENSES**		
	Salaries and Wages	500,894,267	105,168,443
	Contingency Expenses	79,998,015	27,391,641.83
	Legal Fees Expenses	32,009,553	28,594,097
	Stipend Exenses	-	3,150,000
	Training Expenses	10,205,992	27,512,461
	Volunteers Expenses	235,586,795	135,542,786
	Communication Expenses	2,238,353	3,383,244
	Recruitment Expenses	3,274,000	2,394,000
	Staff Uniforms	14,360,729	-
	Depreciation	310,196,872	76,414,288
	Environmental Expenses	2,865,000	8,041,500
	Housing Expenses	8,356,711	24,964,711
	Balance carried forward	**1,199,986,288**	**442,557,172**

NOTES

	2018	2017
	TZS	TZS
Balance brought forward	**1,199,986,288**	**442,557,172**
Property Maintainance Expenses	36,143,808	5,160,000
NHIF Contribution	13,658,265	1,489,560
Pension Contribution	50,008,991	5,507,580
Workers Compensation Fund	6,283,413	1,771,520
Skills Development Levy	27,213,714	5,315,038
Board Meeting Expenses	1,782,800	1,355,000
Staff Support	3,361,850	2,040,000
Fundrising Expenses	370,052	4,808,881
Motor Vehicle Registration	40,000	1,010,000
Openning Day Expenses	6,292,750	-
Consultancy Expenses	17,356,472	-
Internet Expenses	2,551,799	-
Nurses & Doctors Registration	1,656,828	8,288,580
Catridges	1,734,600	-
Loss on Exchange	335,836	-
Registration of Health Centre	1,062,300	-
Occupational Health Licence	4,180,000	-
Electricity Expenses	30,733,301	3,005,005
Advertisment	9,324,500	-
Land Rent	641,200	-
Stationeries	12,562,824	7,275,447
Insurance	6,635,834	6,231,795
Motor Vehicle Repairs	19,566,511	13,242,756
Bursery/Scholarship	18,587,493	15,897,500
Audit Fees	9,440,000	5,000,000
Motor Vehicle Fuel Expenses	19,059,000	4,609,197
	1,500,570,429	**534,565,031**

6 FINANCE EXPENSES

Bank Charges	6,274,275	6,847,880

NOTES

7 PROPERTY, PLANT AND EQUIPMENT

	Land TZS	Buildings TZS	Furniture & Equipment TZS	Medical Equipments TZS	Plant & Machinery TZS	Computer & Accessories TZS	Motor Vehicles TZS	Total TZS
Cost/ Value								
At 1 January 2018	542,360,720	-	20,057,867	53,841,095	106,063,370	23,699,439	240,076,661	986,099,152
Additions for the year	-	-	77,371,985	241,671,123	10,045,251	15,404,778	-	344,493,138
Transfers from WIP	-	4,866,036,499	55,065,053	-	343,105,657	4,468,350	-	5,268,675,558
At 31 December 2018	**542,360,720**	**4,866,036,499**	**152,494,906**	**295,512,218**	**459,214,278**	**43,572,567**	**240,076,661**	**6,599,267,848**
Depreciation		2%	12.5%	25%	25%	33.3%	25%	
At 1st January 2018	-	-	9,323,774	31,757,833	9,797,883	10,092,319	114,976,558	175,948,367
Charge for the year	-	73,323,838	13,769,476	51,653,335	100,931,326	10,499,732	60,019,165	310,196,872
At 31 December 2018	-	73,323,838	23,093,250	83,411,168	110,729,209	20,592,051	174,995,723	486,145,239
Net Carrying Amount								
At 31 December 2018	542,360,720	4,792,712,661	129,401,655	212,101,050	348,485,069	22,980,517	65,080,938	6,113,122,610
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

The additions of assets of TZS 344,493,138 comprise of assets donated by donors of TZS 112,073,964 for the year 2018 received as capital grants and the remaining assets of TZS 232,419,174 describe the purchased assets in 2018 of the capital grant received in previous years.

NOTES

		2018	2017
		TZS	TZS
8	**CAPITAL WORK IN PROGRESS**		
	Opening balance	4,338,286,667	1,172,076,766
	Additions during the year	968,422,010	3,166,209,901
	Transferred to Assets	(5,268,675,558)	-
		38,033,118	4,338,286,667

Addition of Capital Work in Progress of TZS 968,422,010 describes additional work on buildings of TZS 930,388,891.87 whose work was completed in 2018 and on going construction of solar panels of TZS 38,033,118 started in 2018 whose work is expected to be completed in 2019. Transfer of assets of TZS 5,268,675,558 represents completed buildings whose construction was completed in 2018 amounting to TZS 4,866,036,498.68 and other assets that started being utilized in 2018 of TZS 402,639,060.32 now recognised in Property, Plant & Equipments.

		2018	2017
9	**INVENTORIES**	74,841,725	-

		Foreign Currency	2018	2017
10	**CASH AND CASH EQUIVALENT**			
	CRDB Construction account - TZS	N/a	61,921,440	43,509,170
	CRDB Construction account - USD	188,794	433,130,231	2,002,717,519
	CRDB Operation account - TZS	N/a	24,363,694	6,937,900
	CRDB Operation account - USD	258,640	593,436,562	350,657,676
	Cash on Hand	N/a	5,193,929	40,000
		447,434	1,118,045,855	2,403,862,264

NOTES

		2018	2017
11	**CAPITAL GRANTS**	**TZS**	**TZS**
	Opening balance	7,576,934,678	5,744,467,475
	Additions- Assets Financed by Grants	112,073,964	1,832,467,203
	Unspent Capital Grants	(367,072,000)	-
	Released during the year	(256,822,090)	-
		7,065,114,552	7,576,934,678

Capital grants describe funds received from Donors for the support of construction of the Buildings as well as other Assets for establishment of the Maternity Africa Hospital. The Buildings and other Assets started being utilised in the year 2018. The Capital grants are amortized at depreciation rates of the assets.

12 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.

		2018	2017
13	**PAYABLES**	**TZS**	**TZS**
	Trade payables	-	29,878,400
	SDL payable	2,698,765	5,315,037
	Withholding tax payable	303,249	1,261,415
	NSSF payable	5,462,132	1,220,560
	PPF payable	-	66,350
	PSSSF payable	6,433,014	-
	Health Insurance	3,691,831	180,519
	Salaries payable	166,834	-
	PAYE payable	9,456,509	2,174,930
	WCF payable	666,838	1,181,120
	Audit fees payable	9,440,000	5,000,000
	Unused Capital Grants	367,072,000	-
		405,391,172	46,278,331

NOTES

14 INCORPORATION

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

15 COMPARATIVE

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

16 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.

17 CONTINGENT LIABILITIES

The Company is not aware of any contingent liability or commitments

18 TAXATION

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

19 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.

NOTES

(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.

20 GOING CONCERN

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

21 CURRENCY

These Financial Statements are presented in Tanzania Shillings (TZS).