Maternity Africa

Making childbirth safe

MATERNITY AFRICA
(Non Governmantal Organization-NGO)
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31DECEMBER 2019

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

MATERNITY AFRICA
(Non Governmantal Organization-NGO)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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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

MATERNITY AFRICA
(Non Governmantal Organization-NGO)

ORGANISATION INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

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
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

MATERNITY AFRICA
(Non Governmantal Organization-NGO)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

1. INTRODUCTION

The Board of Directorsof Maternity Africa is pleased to present this report and audited financial statements for the financial year ended 31 December 2019, which disclose the state of affairs of Maternity Africa for the year under review.

2. INCORPORATION

Maternity Africa was incorporated on 6September,2013 and issued with Certificate of Incorporation Number 102204.However due to changes of Laws of Tanzania, regarding companies Limited by guarantee, Maternity Africa changed its registration status from a Limited Company by gurantee to NGO and issued with registration certificate number 000524 on 27August 2019.

The Organization pursues charitable (not-for-profit) and according to Article 26 of the Constitution use of funds:-Funds however obtained shall solely be applied towards the promotion of the objectives of the organization.

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 Africaas 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 Organisationwho have served at the date of this report are:

S/N	NAME	POSITION	A GE	QUALIFICATION / DESCLIPLINE	NATIONALITY	APPOINTED	DATE O APPOINTMENT
1.	Wilfred Mlay	Chairman of the Board	74	Professor	Tanzanian	Appointed	Oct 2015
2.	Monica Ndege	Director/Secretary	60	Midwife	Tanzanian	Appointed	Feb 2017
3.	EstherD.Mwai kambo	Director	79	Professor	Tanzanian	Appointed	Sep 2014
4.	Goodwin Elinaja Kimaro	Director	66	Businessman	Tanzanian	Appointed	Dec 2017
5.	Modest Akida	Director	-	Lawyer	Tanzanian	Appointed	March 2020
6.	Andrew James Browning	Director	50	Doctor	Australian	Appointed	Sep 2014
7.	William Temu	Director	-	Independent Consultant	Tanzania	Appointed	Dec 2019

The Organisation secretary as at 31December 2019 was Monica Ndege.

6. DONORS DURING THE YEAR

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

NAMES OF DONORS		2019 USD	2019 TZS
Barbara May Foundation		199,990	458,571,070
CCBRT		6,667	15,267,500
Fistula Foundation		111,185	256,217,822
IMPACT Foundation		7,461	17,113,431
Ben Fund UK		25,563	59,484,985
Fulmer Charitable Trust		19,561	45,729,124
Segal Family Foundation		41,382	95,234,661
Strealington ruthincle		6,443	14,755,000
Unite the world with Africa		10,000	22,956,360
Girl Foundation		66	150,000
Susan Thompson		135,801	311,090,270
Adventure sports		841	193,461.60
Other donar		13,487	32,692,203
		578,447	1,329,455,888

7. CORPORATE GOVERNANCE

The Board of Maternity Africa consists of 7 Directors. Apart from the Country Director, no other director hold executive positions in the Organisation. The Board takes overall responsibility for the Organisation, 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. Seniormanagement is invited to attend board meetings and facilitates the effective control of all the Organisation's operational activities, acting as a medium of communication and coordination between all the various business units.

The Organisation 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 ofMaternity Africa Limited had the following Board Sub-Committees to ensure a high standard ofcorporate governance throughout the Organisation.

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.	Monica Ndege	Director/Secretary	Mid wife	Tanzanian
3.	Esther Mwaikambo	Director	Professor	Tanzanian

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.	Monica Ndege	Director/Secretary	Midwife	Tanzanian
3.	Goodluck Simon	Finance administrator	Accountant	Tanzanian

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.	Monica Ndege	Director/Secretary	Mid Wife	Tanzanian
3.	William Temu	Director	Independent consultant	Tanzanian
4.	Modest Akida	Director	Lawyer	Tanzanian

8. MANAGEMENT

The Management of the Organisation is under the Country Director and is organized in the followingdepartments.

- Clinical
- Administration

9. 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 family planning patients shortly afterwards.

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

Maternity Africa's annual service delivery targets are:

- Up to 1,350 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

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.

10. 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. Maternity Africa successfully commenced all three programmes -Maternity, Fistula Treatment and Family Planning.

Maternity Africa met its 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 served two categories of clients 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	ANTENATAL VISITS
1,531	138	1,845	4,794

11. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of theOrganisation. 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 Organisation'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 Organisation 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 2019 and is of the opinion that they met accepted criteria.

12. SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that thefinancial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that Maternity Africa 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 2019. There were no unresolved written complains received by Management from the employees during the year. The Organisation 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 2019, the Organisationdid not allocated fund for staff training since last budget amount located were not fully utilized hence remaining balance used in 2019 in order to improve employees' technical skills and workplace effectiveness. In 2019, the recruitment process to staff Kivulini Maternity Centre conducted , and an orientation programme took place, 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 do to have a formal risk assessment completed by mid 2019. Our official health and safety registration number is EC/EIA/2018/2017, dated to 14 June 2018.

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 73 employees during 2019, of whom 32 were male and 41 were female.

17.RELATED PARTY TRANSACTIONS

There were no related party transactions throughout the year.

18. 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

Director prepared financial statements that gives a true and fair view of the state of affairs of the organisation as at the end of the financial year and of its profit or loss for that year. Directors ensured that the Organisation maintains proper accounting records that disclose, with reasonable accuracy,the financial position of the Organisation.The Directors are also responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 Organisation for the year 2019 will beput to the Annual General Meeting.

Approved by the board of directors on............................... and signed on its behalf by:

.... 29/06/2020
CHAIRMAN **DATE**

.... 29.06.2020
DIRECTOR **DATE**

MATERNITY AFRICA
(Non Governmantal Organization-NGO)

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....GOODLUCK SIMON....being the Head of Finance/Accounting of **Maternity AfricaLimited**hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended**31December 2019** 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....Senior Accountant.

NBAA Membership No....9013865

Date:....29/08/2020.

MATERNITY AFRICA
(Non Governmantal Organization-NGO)

REPORT OF THE INDEPENDENT AUDITORS

To the Members of the Board of

MATERNITY AFRICA
Report on the Audit of the Financial Statements
Opinion
We have audited the Financial Statements of **Maternity**which comprise the Statement of Financial Position as at 31 December 2019, and the Statement of Income and Expenditure 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 acorganisationing financial statements present fairly, in all materials respects, the financial position of the **Maternity Africa** as at 31 December 2019, 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.
preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable
In, matters related to going concern and using the going concern basis of accountingunless management either intends to liquidate the entity or tocease operations, or has no

REPORT OF THE INDEPENDENT AUDITORS

To the Members of the Board of

MATERNITY AFRICA

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 Non governmental organizations 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 Organisation, 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.

EMPHASIS OF MATTER
Without qualifying our Opinion we draw attention to note 19, which indicates that there was Misaapropriation of Funds of estimated amount of **TZs 21,550,900** as a result of Non-Compliance of financial policies and Procedures of Maternity Africa, as described in Investigation Report.

ARUSHA

30th June 2020

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

MATERNITY AFRICA
(Non Governmantal Organization-NGO)

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
REVENUE	**Notes**	**TZs**	**TZs**
Received from Donors	3.1	1,329,455,888	1,365,231,040
Other Income	3.2	4,444,222	9,918,211
Capital Grant Released	11	444,690,263	256,822,090
Revenue Received during the year		**1,778,590,373**	**1,631,971,341**
EXPENDITURE			
Direct expenses	4	284,654,524	180,675,758
Administration expenses	5	1,836,078,420	1,500,570,429
Finance expenses	6	8,900,192	6,274,275
Total expenses		**2,129,633,136**	**1,687,520,462**
Deficit for the year		**(351,042,763)**	**(55,549,121)**

These financial statements were approved by the Board of Directors on.........................2020 and signed on its behalf by:

....
Prof. WILFRED MLAY
Board's Chairman

MNdege
....
MONICA NDEGE
Country Director

MATERNITY AFRICA
(Non Governmantal Organization-NGO)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019	2018
ASSETS			
NON - CURRENT ASSETS		TZs	TZS
Property Plant and Equipment	7	5,926,959,077	6,113,122,610
Capital work in progress	8	-	38,033,118
		5,926,959,077	**6,151,155,728**
CURRENT ASSETS			
Receivable		11,500,795	-
Inventories	9	169,156,969	74,841,725
Cash and Cash equivalent	10	204,017,257	1,118,045,855
		384,675,020	**1,192,887,580**
TOTAL ASSETS		**6,311,634,098**	**7,344,043,308**
EQUITY AND LIABILITIES			
Accumulated funds/(Deficit)		(477,505,178)	(126,462,415)
NON- CURRENT LIABILITIES			
Capital Grants	11	**6,620,424,289**	**7,065,114,552**
CURRENT LIABILITIES			
Payables	13	**168,714,987**	**405,391,172**
TOTAL EQUITY AND LIABILITIES		**6,311,634,098**	**7,344,043,309**

The financial statements were Approved by the Board of Directors on ....2020 and signed on behalf by:-

....

Prof. WILFRED MLAY
Board's Chairman

MONICA NDEGE
Country Director

MATERNITY AFRICA LIMITED
(Non Governmantal Organization-NGO)

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

	Accumulated Funds/(Deficits)	Total
	TZS	TZS
At 1st January 2019	(126,462,415)	(126,462,415)
Deficit for the year	(351,042,763)	(351,042,763)
At 31st December 2019	**(477,505,178)**	**(477,505,178)**
At 1st January 2018	(70,913,294)	(70,913,294)
Deficit for the year	(55,549,121)	(55,549,121)
At 31st December 2018	**(126,462,415)**	**(126,462,415)**

The financial statements were Approved by the Board of Directors on ....2020 and signed on behalf by:-

....
Prof. WILFRED MLAY
Board's Chairman

....
MONICA NDEGE
Country Director

MATERNITY AFRICA LIMITED
(Non Governmantal Organization-NGO)

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES	**Notes**	**TZs**	**TZs**
Operating Deficit for the year		(351,042,763)	(55,549,121)
Adjustment for items not involving movement of funds			
- Depreciation	7	406,073,714	310,196,872
- Capital Grant Released during the year	11	(444,690,263)	(256,822,090)
Operating surplus /(Deficit) before working capital changes		**(389,659,312)**	**(2,174,339)**
Increase in Recevable		(11,500,795)	-
Increase in Inventories		(94,315,244)	(74,841,725)
Decrease /Increase in Payables		(236,676,185)	359,112,841
Net cash in flows/(outflow) from operating activities		**(732,151,536)**	**282,096,777**
CASH FROM INVESTING ACTIVITIES			
Acquisation of Non-Current Assets		(219,910,181)	(5,613,168,696)
Capital Work in Progress		38,033,118	4,300,253,549
Net cash outflows from investing activities		**(181,877,063)**	**(1,312,915,147)**
CASH FROM FINANCING ACTIVITIES			
Grant - Financed Capital Expenditure		-	(254,998,038)
Net cash out flows/inflows from financing operations		**-**	**(254,998,038)**
Net increase/Decrease in Cash and Cash equivalent		**(914,028,595)**	**1,285,816,408)**
CASH AND CASH EQUIVALENT			
Beginning of the year		1,118,045,856	2,403,862,264
End of the year	10	204,017,257	1,118,045,856

These financial statements were Approved by board of Directors on ....2020 and sign on behalf by:-

....
Prof. WILFRED MLAY
Board's Chairman

....
MONICA NDEGE
Country Director

NOTES

1. GENERAL INFORMATION

Maternity Africa was incorporated on 6th September 2013 and issued with certificate of Incorporation number 102204.

The Organisation pursues charitable (not-for-profits) and according to Article 26 of the Constitution use of funds:-Funds however obtained shall solely be applied towards the promotion of the objectives of the organization.

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 organisation 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 Organisation 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 Organisation 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 organisation 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 organisation 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 Organisation's obligations under the scheme are equivalent to those arising in a defined contribution retirement plan.

i) 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 Organisation.

		2019	2019	2018
3	**REVENUE**	**2019**	**2019**	**2018**
3.1	Direct Income from Donors	**USD**	**TZs**	**TZs**
	Barbara May Foundation	199,990	458,571,070	-
	Fistula Foundation	111,125	256,217,822	370,838,409
	CCBRT	6,667	15,267,500	11,777,400
	IMPACT Foundation	7,461	17,113,431	93,769,451
	Fulmer	19,560	45,729,124	-
	LAD	-	-	404,511,600
	Ben Fund Uk	25,563	59,484,985	-
	BMF	-	-	362,714,982
	Segal	29,882	68,103,017	68,103,017
	Suzan Thomas	43,536	47,421,150	-
	Other donors	157,903	361,547,789	4,347,313
	Inkind Gifts & Donation	-	-	49,168,868
		601,687	1,329,455,888	1,365,231,040

3.2	**Other Income**		
	Donors for Bursary	-	3,766,021
	Other	4,093,774	6,152,190
	Gain on exchange	350,448	-
		4,444,222	9,918,211

		2019	2018
4	**DIRECT EXPENSES**	**TZs**	**TZs**
	Fistula Expenses	112,845,296	62,979,634
	Teenage program	11,499,900	-
	Medical Consumables	21,099,254	25,305,081
	Bedding & Towels	5,231,500	152,000
	Drugs	44,122,782	16,682,864
	Patient food	51,239,850	31,165,400
	Patient Uniforms	250,000	760,000
	Sick baby Expenses	20,648,640	7,456,279
	Sick Patient Expenses	17,717,302	2,836,600
	Outreach Expenses	-	33,337,900
		284,654,524	180,675,758
	Salaries & Wages	820,142,461	500,894,267
	Contingency Expenses	969,946	79,998,015
	Legal Fees Expenses	15,961,113	32,009,553
	Importation expenses	3,967,835	-
	Trainings Expenses	7,216,410	10,205,992
	Volunteers Expenses	203,867,170	235,586,795
	Communication Expenses	2,151,500	2,238,353
	Recruitment Expenses	3,538,400	3,274,000
	Staff Uniforms	1,812,000	14,360,729
	Depreciation	406,073,714	310,196,872
	Environmental Expenses	1,770,000	2,865,000
	Housing	-	8,356,711
	Balance carried forward	1,467,470,547	1,199,986,288

NOTES

		2019	2018
		TZs	TZs
	Balance brought forward	**1,467,470,547**	**1,199,986,288**
	Gardening Expenses	1,203,590	36,143,808
	NHIF Contribution	19,930,332	13,658,265
	Employer's Contribution	82,729,847	50,008,991
	Workers Compensation	8,344,063	6,283,413
	Skills Development levy	38,119,806	27,213,714
	Board Meeting Expenses	2,087,600	1,782,800
	Staff Support	2,460,100	3,361,850
	Fundrising Expenses	6,440,359	370,052
	Motor Vehicle Registration	20,000	40,000
	Opening day Expenses	-	6,292,750
	Consultancy Expenses	40,957,966	17,356,472
	Internet Expenses	2,236,572	2,551,799
	Nurses & Doctors Registration	1,150,735	1,656,828
	Loss on Exchange	-	335,836
	Registration HC	846,000	1,062,300
	Occ Health Licence	9,180,000	4,180,000
	Electricity Expenses	34,064,635	30,733,301
	Advertisment	-	9,324,500
	Land Rent	641,200	641,200
	Stationaries	17,145,100	14,297,424
	Insurance	6,675,553	6,635,834
	Motor vehicle Repairs	14,891,563	19,566,511
	Bursery/Scholarship	23,090,972	18,587,493
	Audit Fees	9,640,000	9,440,000
	Property Maintanance	19,155,279	-
	Transportation	2,976,000	-
	Loss on disposal	60,000	-
	Entertaiment	5,691,100	-
	Motor Vehicle Fuel Expenses	18,869,500	19,059,000
		1,836,078,420	1,500,570,429
6	**FINANCE EXPENSES**		
	Bank Charges	8,900,192	6,274,275

PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Furniture & Equipment	Medical Equipments	Plant & Machinery	Computer & Accessories	Motor Vehicles	Total
Cost/ Value	TZs	TZs	TZs	TZs	TZs	TZs	TZs	TZs
1/1/2019	542,360,720	4,866,036,499	152,494,906	295,512,218	459,214,278	43,572,567	240,076,661	6,599,267,849
Additions	-	119,165,454	12,796,985	3,084,469	78,709,074	6,154,199	-	219,910,181
31/12/2019	542,360,720	4,985,201,953	165,291,891	298,596,687	537,923,352	49,726,766	240,076,661	6,819,178,030
Depreciation		2%	12.5%	25%	25%	33.3%	25%	
1/1/ 019	-	73,323,838	23,093,250	83,411,168	110,729,209	20,592,051	174,995,723	486,145,239
Charge	-	99,704,039	20,661,486	74,649,172	134,480,838	16,559,013	60,019,165	4 06,073,714
31/12/2019	-	173,027,877	43,754,736	158,060,340	245,210,047	37,151,064	235,014,888	892,953
Net Carrying Amount								
31/12/2019	542,360,720	4,812,174,076	121,537,155	140,536,347	292,713,305	12,575,702	5,061,773	5,926,959,077
31/12/ 2018	542,360,720	4,792,712,661	129,401,656	212,101,050	348,485,069	22,980,516	65,080,938	6,113,122,610

MATERNITY AFRICA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
NOTES

		2019	201
8	**CAPITAL WORK IN PROGRESS**	**TZs**	**T**
	Openning balance	38,033,118	
	Additions during the year	-	968,422,01
	Transfered to Assets	(38,033,118)	(930,388,89
		-	38,033,11

Transfer of Solar Panels of TZs 38,033,118 represents completed construction in 201 that started in 2018 now recognised in property, Plant & Equipments.

9	**INVETORIES**		
	Inventories	169,156,969	74,841,72
		169,156,969	**74,841,72**
	RECEIVABLES		
	Staff advances	100,000	
	Prepaid expenses	11,400,795	
		11,500,795	

		Foreign		
10	**CASH AND CASH EQUIVALENT**	**Currency**		
	CRDB Construction account - TZs	N/a	29,346,879	61,921,4
	CRDB Construction account - USD	23,830	54,563,157	433,130,2
	CRDB Operation account - TZs	N/a	6,933,229	24,363,6
	CRDB operation account - USD	46,765	107,076,028	593,436,5
	Cash on Hand	N/a	6,097,965	5,193,9
		70,595	**204,017,257**	**1,118,045,8**

11	CAPITAL GRANTS	2019 TZS	2018 TZS
	Openning balance	7,065,114,552	7,576,934,678
	Additions- Assets Financed by Grants	219,910,181	112,073,964
	Unspent Capital Grants	(219,910,181)	(367,072,000)
	Released during the year	(444,690,263)	(256,822,090)
		6,620,424,289	**7,065,114,552**

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 of Africa Hospital. The Capital grants is Amortized at depreciation rates of the Assets.

13	PAYABLES	2019 TZS	2018 TZS
	Creditors	24,064,016	-
	SDL Payable	3,727,961	2,698,765
	W/Tax Payable	356,676	303,249
	NSSF payable	13,409,316	5,462,132
	Student Loan Board	276,090	-
	PSSSF Payable	-	6,433,014
	Health Insurance	3,836,133	3,691,831
	Salaries Payable		166,834
	PAYE Payable	14,268,019	9,456,509
	WCF Payable	-	666,838
	Audit fees payable	-	9,440,000
	Volunteer payable	5,373,897	-
	Unused Capital Grants	103,402,880	367,072,000
		168,714,987	**405,391,172**

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 Organisation is not aware of any contingent liability or commitments

17 FINANCIAL RISK MANAGEMENT
(a) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The organisation manages credit risk by finding new with 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

18 GOING CONCERN

The Going Concern of Maternity Africa is uncertainty due to some donor agreement end this financial year and others show no willingness to continue contributing funds to support maternity Africa.

19 MISAPPROPRIATION OF FUNDS

During the year 2019 the Management had conducted investigation of the Finance operations and as in accordance to investigation report, there was non compliance with the finance policies and other procedures resulting to misappropriation of funds amounting to TZs 21,550,900 which Comprise of TZs 13,555,900 for Kaduma Stationaries, TZs 7,775,000 Discrepancies on Payment to Fistula Patients as reported in Investigation report.

20 CURRENCY

These financial satatement are expreedin Tanzania Shillings (TZS)