

Reviewed  
01/11/2019  
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CHILDHOOD DEVELOPMENT ORGANISATION (CDO)  
P. O. Box 54  
MZUMBE – MOROGORO

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2019

KIM & ASSOCIATES  
AUTHORISED ACCOUNTANTS, AUDITORS & TAX CONSULTANTS  
P.O. BOX 455  
MOROGORO  
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OCTOBER 2019

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CHILDHOOD DEVELOPMENT ORGANISATION (CDO)

#### Report on the Audit of Financial Statements

##### Opinion

We have audited the accompanying financial statements of **CHILDHOOD DEVELOPMENT ORGANISATION (CDO)** which comprise the statement of financial position as at 30<sup>th</sup> June, 2019, and the Income statement, Statement of changes in equity and cashflow statement for the year ended, and notes to the financial statements including summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the business as at 30<sup>th</sup> June, 2019 and of its income statement and cashflows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and requirements of the Societies Act CAP 337.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Business in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that the relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other Information

The Proprietors are responsible for the other information, which comprises the report of proprietor.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibilities is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that fact, we have nothing to report in this regard.

##### Responsibilities of the Proprietors to the Financial Statements

The Proprietors are responsible for the preparation of the financial statements that give true and fair view in accordance with International Financial Report Standards and the requirements of the Societies Act CAP 337 and for such Internal controls as Proprietors determine are 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, the Proprietors are responsible for assessing the Business'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 the Proprietors either intend to liquidate the Business or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' Responsibility 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 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 decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Business's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Proprietors.
- Conclude on the appropriateness of the Proprietors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Business's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

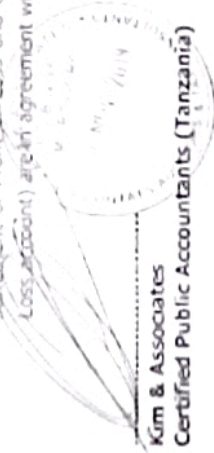
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the company audit. We remain responsible for our audit opinion.

We communicate with the Proprietor regarding, among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on other Legal and Regulatory Requirements

As required by Societies Act CAP 337 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 purpose 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 Company's statement of financial position (Balance sheet) and statement of Profit or Loss and Other Comprehensive Income (Profit and Loss account) are in agreement with the books of accounts.

  
Kim & Associates  
Certified Public Accountants (Tanzania)

Signed By: Joseph Kilosa (FCPA 122 CPP)

Date:.....

CHILDHOOD DEVELOPMENT ORGANISATION (CDO)  
P.O. Box 54  
MZUMBE

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2019

	2019 TSHS
<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
Land	2,950,000
Buildings	202,566,030
HV, AC, Computer, Furniture & Equipment	60,791,063
<b>TOTAL NON-CURRENT ASSETS</b>	<b>266,307,093</b>
<b>CURRENT ASSETS</b>	
Receivable	5,546,970
Cash and Bank Balances	53,775,243
<b>TOTAL CURRENT ASSETS</b>	<b>59,322,213</b>
<b>TOTAL ASSETS</b>	<b>325,629,306</b>
<b>EQUITY AND LIABILITIES</b>	
<b>EQUITY AND RESERVES</b>	
Equity	325,315,875
Surplus/(Deficit)	313,431
<b>CURRENT LIABILITIES</b>	
Payables and accruals	
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>325,629,306</b>

The attached Notes 1 to 6 form part of these Statements

*Helgemo*  
Executive Director

*S.*  
Treasurer



CHILDHOOD DEVELOPMENT ORGANISATION (CDO)  
P.O. Box 54  
MZUMBE

INCOME & EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2019

	REF	2019 TSHS
<b>INCOME</b>		
	4	461,845,249
<b>Deduct: EXPENDITURE</b>		
CDO	5	222,143,297
ISRIP PROJECT		239,388,521
<b>TOTAL EXPENDITURE</b>		<b>461,531,818</b>
<b>Excess Income Over Expenditure</b>		<b>313,431</b>

The attached Notes 1 to 6 form part of these Statements.

*[Signature]*  
Executive Director

*[Signature]*  
Treasurer



CHILDHOOD DEVELOPMENT ORGANISATION (CDO)  
P.O. BOX 54  
MIZUMBE

STATEMENT OF CASH FLOWS  
For the year ended 30th June, 2019

	2019 TzS
<b>CASH FLOW</b>	
<b>OPENING BALANCE</b>	
Cash in Hand	
Current Bank	
<b>TOTAL</b>	<b>313,431</b>
<b>CASH FLOW FROM OPERATIONS</b>	
Net Profit/(Loss) for the year	25,625,808
Adjustment: Cash resulted from previous depreciation	25,939,239
<b>TOTAL</b>	<b>5,546,970</b>
<b>WORKING CAPITAL MOVEMENTS</b>	
Increase/(Decrease) in Inventories	
Increase/(Decrease) in Receivables	
Increase/(Decrease) in Payables	
<b>TOTAL</b>	<b>325,315,875</b>
<b>CASH FLOW FROM INVESTING DECISIONS</b>	
Opening Equity/Donations	325,315,875
<b>TOTAL CASH INFLOWS</b>	<b>325,315,875</b>
<b>LESS: APPLICATION OF CASH</b>	
Acquisition of Assets	291,932,900
Taxes paid	11,093,941
Drawings	303,026,841
<b>TOTAL</b>	<b>53,775,243</b>
<b>CLOSING BALANCE CASH AND BANK</b>	
<b>CASH AND CASH EQUIVALENT AT THE END</b>	<b>53,775,243</b>

CHILDHOOD DEVELOPMENT ORGANISATION (CDO)  
P.O. Box 54  
MZUMBE

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2019

	Equity/Donations TSHS	Surplus/Deficit TSHS	Total TSHS
As at 1 <sup>st</sup> July 2018	325,315,875	-	325,315,875
Surplus/(Deficit)	-	<u>313,431</u>	<u>313,431</u>
As at 30 <sup>th</sup> June 2019	<b>325,315,875</b>	<b>313,431</b>	<b>325,629,306</b>



CHILDHOOD DEVELOPMENT ORGANISATION (CDO)  
P.O Box 54  
MZUMBE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2019

**1. ESTABLISHMENT**

CHILDHOOD DEVELOPMENT ORGANISATION is a CBO based in Morogoro Region registered by the Registrar of Societies under SOCIETIES ACT CAP 337 R.F. 2002 in June 2000

Its overall objective is to aim at empowering disadvantaged children with vital basics for their childhood proper development.

**2. ACCOUNTING POLICIES**

The Financial Statements have been prepared based on the historic cost convention applying the generally accepted accounting principles in compliance with the International Financial Reporting Standards.

**3. ACCOUNTING PERIOD**

The Organization's accounting period is July to the following June.

**4. INCOME**

During the period under review funds were received from the following sources:

	TOTAL	CDO	ISRP PROJECT
Opening Cash & Bank Balances	44,700,708	31,935,913	12,764,795
Children in Crossfire Donor Funds	241,603,057		241,603,057
Interest from Bank Received	222,157		222,157
Commission Charity of London	128,954,784	128,954,784	
Twaweza East Africa	42,221,000	42,221,000	
Bank Interest	299,683	299,683	
Parents Contribution	347,800	347,800	
Tailoring Fees	490,000	490,000	
Loan application	43,000	43,000	
Loan Interest	2,963,060	2,963,060	
<b>TOTAL</b>	<b>461,845,249</b>	<b>207,255,240</b>	<b>254,590,009</b>

5. EXPENDITURE

	TOTAL	CDO	ISRP PROJECT
Salaries & Staff Welfare	98,800,900	51,960,000	46,840,900
PPF Contributions	17,283,000	4,323,000	12,970,000
SDI Payments	5,036,850	1,945,350	3,091,500
Other Allowance	4,339,538	4,339,538	
PAYE Taxation	10,974,100		10,974,100
WCF Payment	1,116,800	432,300	684,500
MESLB Contribution	4,200,000		4,200,000
Utilities	1,114,750	712,000	402,750
Other Fees	250,000	250,000	
Site Maintenance	6,662,500	6,662,500	
Office cost	4,019,800	4,019,800	
Credit Scheme *	71,000	71,000	
Cotton bags	4,177,900	4,177,900	
Other costs	770,400	770,400	
Zawadi School	7,222,400	7,222,400	
Education Sponsored	19,676,800	19,676,800	
Medication	6,892,550	6,892,550	
Domestic Welfare	3,625,000	3,625,000	
Social welfare	3,243,800	3,243,800	
Peer Educators	2,079,600	2,079,600	
Mikumi Trips	740,600	740,600	
Library activities	2,324,050	2,324,050	
Babu Bibi domestic welfare	830,000	830,000	
Babu Bibi food supply	6,770,600	6,770,600	
Babu Bibi social welfare	1,240,850	1,240,850	
Babu Bibi medication	443,050	443,050	
Withholding tax	83,951	83,951	
Research processes	58,382,175	58,382,175	
General Office Communication	1,212,500		1,212,500
Office Stationery	1,650,600		1,650,600
General Expenses	540,900		540,900
Bank Charges	1,083,296	658,275	425,021
Fuel Expenses	155,000		155,000
Travelling Expenses	3,022,000		3,022,000
Website Maintenance	1,950,000		1,950,000
Depreciation	25,625,808	25,625,808	
Cameras and expenses	555,000		555,000
CDO Board expenses	431,700		431,700
Car maintenance	6,978,500	2,640,000	4,338,500
Staff Capacity building/Training	1,800,000		1,800,000
ISRP Activities	115,404,550		115,404,550
Monitoring and evaluation	28,739,000		28,739,000
<b>TOTAL EXPENDITURE</b>	<b>461,531,818</b>	<b>222,143,297</b>	<b>239,388,521</b>