CHILDHOOD DEVELOPMENT ORGANISATION

CDO

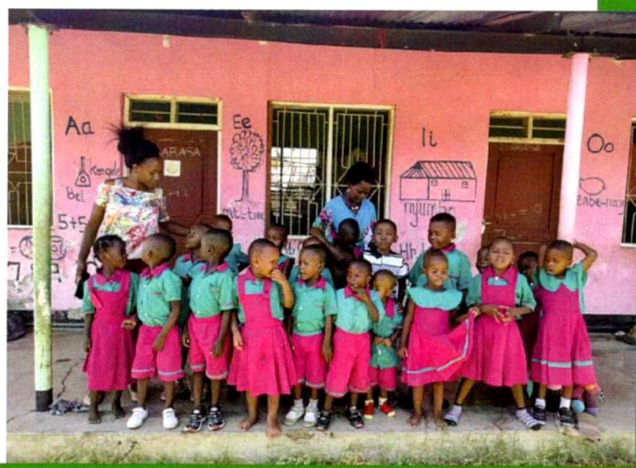
Serving The Needy For Self Reliance

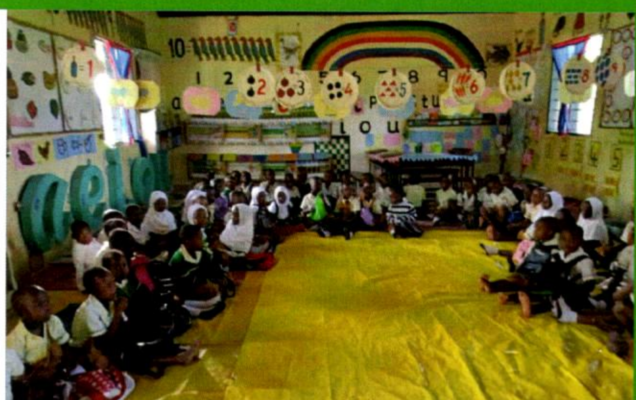
EXECUTIVE DIRECTOR
CDO
DATE..................
P.O. Box 54 MZUMBE

CHLDHOOD DEVELOPMENT ORGANIZATION-(CDO)

FINANCIAL REPORTS AND STATEMENTS

31 DECEMBER 2020





CHLDHOOD DEVELOPMENT ORGANIZATION-(CDO)
FINANCIAL REPORTS AND STATEMENTS
31 DECEMBER 2020

REPORT AND FINANCIAL STATEMENTS TO THE MANAGEMENT OF CHILDHOOD DEVELOPMENT ORGANIZATION FOR THE PERIOD OF EIGHTEEN MONTHS ENDED 31 DECEMBER 2020

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REPORT AND FINANCIAL STATEMENTS TO THE MANAGEMENT OF CHILDHOOD DEVELOPMENT ORGANIZATION FOR THE PERIOD OF EIGHTEEN MONTHS ENDED 31 DECEMBER 2020

CORPORATE INFORMATION

BOARD OF DIRECTORS	M/S FELISTA KAVANA	Chairman
	MRS EDINA KULIWAKI	MEMBER
	MRS GRACE MWALEMBA	MEMBER
	PROF JOSEPH KUZILWA	MEMBER
	MRS VICTORIA MAVURA	MEMBER
	MR. IMANI LOSINDILO	MEMBER
	M/S SEKELA KOMBA	MEMBER
	M/S FELISTAS KALOMO	Executive Director/Board Secretary
REGISTERED OFFICE	MOROGORO OFFICE: P.O.BOX. 54 MOROGORO MZUMBE TANZANIA	
INDEPENDENT AUDITOR	UHURU Auditors Certified Public Accountants Watumishi Housing Building P.O Box 9080 Dar es Salaam	
PRINCIPAL BANKERS	CRDB BANK MZUMBE BRANCH MOROGORO - TANZANIA	

EXECUTIVE DIRECTOR
CDO
DATE 19/02/21
P.O.BOX 54 MZ

GLOSSARY OFABBREVIATIONS

CDO	CHILDHOOD DEVELOPMENT ORGANIZATION
CD TFN	CHILDHOOD DEVELOPMENT TRUST FUND NETWORK
CiC	CHILDREN IN CROSSFIRE
ECE	EARLY CHILDREN EDUCATION
TECDEN	TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK
USAID/EATH	EAST AFRICA TRADE AND INVESTMENT HUB
EAGC	EASTERN AFRICA GRAIN COUNCIL
FTESA ESA	FOOD TRADE EASTERN AND SOUTHERN AFRICA
SIDA	SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGRA	ALLIANCE FOR GREEN REVOLUTION IN AFRICA
VAT	VALUE ADDED TAX
DAI	DEVELOPMENT ALTERNATIVE INITIATIVE
USDA/GC	GLOBAL COMMUNITIES
AIMS	
BAF	BUSINESS ADVOCACY FUND
CTA	COOPERATION TECHNICAL CENTRE FOR AGRICULTURAL AND RURAL
ITC/SITA	INTERNATIONAL TRADE CENTRE
GIZ	GERMAN DEVELOPMENT COOPERATION
FAO	FOOD AND AGRICULTURE ORGANIZATION
KCEP - CRAL	KENYA CEREAL ENHANCEMENT PROGRAMME
RTI	RTI INTERNATIONAL

REPORT AND FINANCIAL STATEMENTS TO THE MANAGEMENT OF CHILDHOOD DEVELOPMENT ORGANIZATION FOR THE PERIOD OF EIGHTEEN MONTHS ENDED 31 DECEMBER 2020

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020

The Director have the pleasure to submit their annual report together with the audited financial statements for the year ended 31 December 2020, which disclose the state of affairs of the Organization.

Incorporation

Childhood Development Organization (CDO) is established in Tanzania as a Non-Governmental Organization in 2008, under Non-Governmental Organizations Act, 2002 (No. 24 of 2002)

Principal activities

The principal activities of the Organization are to promote children Development, and eliminate poverty through capacity building, basic education, research, and all issues pertaining to poverty, with mission of empowering disadvantaged children with basic needs for their childhood and proper development through community

Performance of the organization

The performance of the organization during the period set on page 12 to 28 of this financial statement

Future Organization developments strategies and objectives

The Management is expecting to peak the organization to become the leading organization in Promoting childhood development by build, strengthen and empower children from low resource communities to scale up response for the survival, growth, development and protection with priority to most vulnerable and marginalized groups.

Corporate governance

The Directors is responsible for the governance of the Organization and is committed to ensure that it's Organization and operations are conducted with integrity and compliance with the relevant laws and regulation governing Organizations.
The Director holds executive position in the organization. The Directors takes overall responsibility for the organization, including responsibility for identifying key risk areas, considering significant financial matters, and reviewing the performance of organization plans and budgets. The Directors 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 Directors is responsible for the day-to-day management of the organization.

Funding

The Organization's predominant sources of funding presently are from donors

Member of the organization

The total numbers of member during the year were 8 members

Risk management and internal control

"The Directors accepts final responsibility for the risk management and internal control systems of the organization. It is the task of the sole Directors to ensure that adequate internal financial and

EXECUTIVE DIRECTOR
CDO
DATE. 19/02/21
P.O. BOX 54 MZUMBE

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 Organization's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Organization sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders."

Risk management and internal control

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. While no system of internal control can provide absolute assurance against misstatement or losses, the Organization's 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 31 December 2020 and is of the opinion that they met accepted criteria.

Solvency

The Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.
The Directors has reasonable expectation that Childhood Development Organization (CDO) has adequate resources to continue in operational existence for the foreseeable future.

Employees' welfare

The Organization had 17 employees during the financial year ended 31 December 2020. The Organization has pension schemes in which both employee and employer's contribution are made to the National Social Security Fund (NSSF).

Disabled persons

The Organization accepts disabled persons for employment for those vacancies that such persons are able to fill.

Directors

The Director who held office during the year and to the date of this report is set out on page 1.

Going Concern

The Director has reasonable expectation that the organization has adequate resources to meet its operational needs and continue in operation for the foreseeable future

REPORT AND FINANCIAL STATEMENTS TO THE MANAGEMENT OF CHILDHOOD DEVELOPMENT ORGANIZATION FOR THE PERIOD OF EIGHTEEN MONTHS ENDED 31 DECEMBER 2020

Auditor

The Organization's auditor, UHURU Auditors expressed its willingness to continue in office in accordance with the Tanzanian Companies Act 2002.

By order of the Board of Directors

.... BOARD OF DIRECTORS CDO BOX 54 MZUMBE 19/02/2021
Chairman/Secretary

EXECUTIVE DIRECTOR CDO DATE. 19/02/21. P.O. BOX 54 MZUMBE

REPORT AND FINANCIAL STATEMENTS TO THE MANAGEMENT OF CHILDHOOD DEVELOPMENT ORGANIZATION FOR THE PERIOD OF EIGHTEEN MONTHS ENDED 31 DECEMBER 2020

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Organization as at the end of the financial year and of the operating results of the organization for that year. It also requires the Directors to ensure that the organization keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the organization. The Director is also responsible for safeguarding the assets of the Organization

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002 and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Tanzanian Companies Act, 2002. The Director is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization and of its operating results.
The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the organization will not remain a going concern for at least the next twelve months from the date of this statement.

Chairman/Secretary

BOARD OF DIRECTORS CDO BOX 54 MZUMBE

19/02/2021

REPORT AND FINANCIAL STATEMENTS TO THE MANAGEMENT OF CHILDHOOD DEVELOPMENT ORGANIZATION FOR THE PERIOD OF EIGHTEEN MONTHS ENDED 31 DECEMBER 2020

DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF CHILDHOOD DEVELOPMENT ORGANIZATION (CDO)

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 Directors/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 as under Directors Responsibility statement on page 6.

I. AFWILILE MWAMBENE ANGOLILE .... being the **Financial Consultant** of Childhood Development Organization hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December 2020 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 Childhood Development Organization as on that date and that they have been prepared based on properly maintained financial records.

Signed by.........................

Position: **Financial Consultant**

NBAA Membership No: ACPA 2079

Date. 26/02/2021

EXECUTIVE DIRECTOR
CDO
DATE. 19/02/21
P.O. BOX 54 MZU...

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT OF CHILDHOOD DEVELOPMENT ORGANIZATION

Audit | Tax | Advisory
UHURU AUDITORS
Certified Public Accountants

Watumishi Housing Building
Morogoro Road ,
P.O. Box 90180
Dar Es Sa laam , Tanzania

info@uhuruauditors.co.tz
www.uhuruauditirs.co.tz

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Childhood Development Organization which comprises of the Statement of Financial Position, statement of Financial Performance, Statement of Changes in Equity, Statement of Cash Flows, Statement, accounting policies, and notes to the Financial Statements for the year ended 31st December, 2020 as shown in page 12 to 28 of this report.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Childhood Development Organization for the year ended 31st December 2020, and its financial performance and its cash flows for the year ended 31st December 2020 in accordance with International Financial Reporting Standards (IFRS).

Basis of opinion

We conducted our audit accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statement section of our report. We are independent of the organization within the meaning of organization act and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

The financial statements of organization have been prepared by using going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the organization or to cease the operations or has no realistic alternative but do not do so. As part of our audit of the financial statements, we have concluded that management's use of going concern basis of accounting in the preparation of organization financial statements is appropriate.
Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements.
Based on our audit of the financial statements we also have not identified such as material uncertainty. However, neither management nor auditor can guarantee the organization's ability to continue as going concern.

Other Information

The Director is responsible for the other information. The other information comprises the corporate information, the Directors Report as required by the Companies Act, 2002, Statement of Directors' responsibilities and Declaration of Head of Finance
The other information does not include the financial statements and our auditors' report thereon.

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 responsibility 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, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2002, and for such internal control as Directors determine 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, Directors are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so. Director is responsible for overseeing the organization'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 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.

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

- Identify and assess the risks 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 omissions, 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 organization' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director

EXECUTIVE DIRECTOR
CDO
DATE 19/02/21
P.O. BOX 54 MZ...

- Conclude on the appropriateness of the Director 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 Organization's ability to continue as a 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 inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organization 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 transactions and events in a manner that achieves true and fair view.

We communicate with Director 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 the Companies Act, 2002 we report that:
In our opinion, proper accounting records have been kept by n Africa Grain Council Limited; Easter

- The individual accounts are in agreement with the accounting records of the organization and
- We obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Musa Solomon, ACPA-PP

For and on behalf of UHURU AUDITORS
Certified Public Accountants
Dar es Salaam
Date: 18/02/2021

UHURU AUDITORS CERTIFIED PUBLIC ACCOUNTANTS P. O. Box 90180 18 FEB 2021 DAR-ES-SALAAM

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
INCOME	**Notes**	**TZS**	**GBP**	**TZS**	**GBP**
Donation	8	172,468,062.90	58,455.86	435,906,010.00	147,744.81
Revenue grants	8	224,333,082.54	76,034.85	-	-
Amortization of capital grants	15	25,625,807.50	8,685.54	25,625,807.50	8,685.54
Other income					
Loan scheme interest received	8	560,300.00	189.91	-	-
Bank Interest received	8	365,266.43	123.80	-	-
Tailoring fee	8	155,000.00	52.54	-	-
Computer cost	8	60,000.00	20.34	-	-
Total Revenue		**423,567,519.37**	**143,562.83**	**461,531,817.50**	**156,430.35**
EXPENDITURE					
Staff Costs	9	208,011,919.25	70,503.00	137,421,650.00	46,577.32
Travel Expenses	10	11,925,712.00	4,042.07	10,155,500.00	3,442.08
Training Expenses	11	4,065,850.00	1,378.07	4,124,050.00	1,397.79
General Administrative Expenses	12	153,270,380.62	51,949.05	277,542,310.00	94,069.44
Materials and Supplies	13	20,667,850.00	7,005.11	6,662,500.00	2,258.17
Depreciation Expenses	15	25,625,807.50	8,685.54	25,625,807.50	8,685.54
Sub Total Expenses and losses		**423,567,519.37**	**143,562.83**	**461,531,817.50**	**156,430.35**
Net Surplus / (Deficit) from ordinary activities		-	-	-	-

DIRECTOR

EXECUTIVE DIRECTOR
CDO
DATI 19/02/2021
P.O. Box 54-MZUMBE

19/02/2021
Date

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

		2020		2019	
ASSETS					
Current Assets	**Notes**	**TZS**	**GBP**	**TZS**	**GBP**
Cash and Cash Equivalent	14	33,986,231	10,921	53,775,243	17,280.25
Accounts Receivables					
CiC - Donor receivable	17	34,104,045	10,959	5,546,970	1,782.48
Total Current Assets		**68,090,277**	**21,880**	**59,322,213**	**19,063**
Non-Current Assets					
Property Plant and Equipment	15	240,681,285	77,341	266,307,093	85,575.69
Total Non-Current Assets		240,681,285	77,341	266,307,093	85,575.69
TOTAL ASSETS		**308,771,561**	**99,221**	**325,629,306**	**104,638**
EQUITY AND LIABILITIES					
Current Liabilities					
Deferred Revenue Grants	16	68,090,277	21,880	59,322,213	19,062.73
Accruals and Provisions		-			
Total Current Liabilities		**68,090,277**	**21,880**	**59,322,213**	**19,063**
Non-Current Liabilities					
Deferred Capital Revenue	15	240,681,285	77,341	266,307,093	85,575.69
Others					
Total Non-Current Liabilities		**240,681,285**	**77,341**	**266,307,093**	**85,576**
Surplus for the year		-		-	
TOTAL EQUITY AND LIABILITIES		**308,771,561**	**99,221**	**325,629,306**	**104,638**

EXECUTIVE DIRECTOR
CDO
DATI 19/02/2021
P.O. Box 54-MZUMBE

....
DIRECTOR

19/02/2021
....
Date

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	TZS	**GBP**	**TZS**	**GBP**
Cash flows from operating activities				
Surplus for the year	-	-	-	-
Depreciation	25,625,807.50	8,685.54	25,625,807.50	8,685.54
Amortization of Capital Grants	(25,625,807.50)	(8,685.54)	(25,625,807.50)	(8,685.54)
Operating Surplus before Working capital changes	-	-	-	-
Changes in Working Capital				
Increase/ (Decrease in Receivables)	(28,557,075)	(9,177)	(5,546,970)	(1,782)
Increase/ (Decrease in Accrued Charges)	-		-	
Increase in Deferred Income	8,768,063	2,818	59,322,213	19,063
Increase/ (Decrease in Accounts Payables)	-	-	-	
Cash generated from operations	**(19,789,012)**	**(6,359)**	**53,775,243**	**17,280**
Cash flows from investing activities				
Acquisition of Assets	-	-	-	-
Proceeds from sale of investments	-	-	-	-
Purchases of Property Plant and Equipment	-	-	-	-
Proceeds from sale of furniture and equipment	-	-	-	-
Funds received for purchase of PPE	-	-	-	-
Net cash from investing activities	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	**(19,789,012)**	**(6,359)**	**53,775,243**	**17,280**
Cash and cash equivalents - beginning of the year	53,775,243	17,280	-	
Cash and cash equivalents - end of the year	**33,986,231**	**10,921**	**53,775,243**	**17,280**

EXECUTIVE DIRECTOR
CDO
DATE 19/02/2021
P.O. Box 54-MZUMBE

.... DIRECTOR .... 19/02/2021 Date

NOTES

1. General information

Childhood Development Organization (CDO) is established in Tanzania as a Non-Governmental Organization in 2008, under Non-Governmental Organizations Act, 2002 (No. 24 of 2002)

2. Principal Accounting Policies

The principal accounting policies adopted in the preparation of theses financial statements are set out below.

3. Basis of Preparation

The financial statements of Childhood Development Organizationhave been prepared in accordance with the International Financial Reporting Standards (IFRS).

These financial statements of Childhood Development Organizationhave been prepared under the historical cost convention. The preparation of financial statements in accordance with IAS 16 and IAS 20 requires the use of certain critical accounting estimates. It is also, requires management to exercise judgments in the process of applying organization's accounting policies.

The principal accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

4. Reporting Entity

Childhood Development Organizationis a limited liability organization registered in Tanzania. The address of its registered office is disclosed in the corporate information page 1. The principal activity of the organization is described in the organization Director's report.

5. Application of new and revised international financial reporting standards

Relevant new standards and amendments to published standards in issue but not yet effective for the year ended 31 December 2020

The organization has not applied the following new and revised IFRSs and IFRICs that have been issued but are not yet effective:

New and Amendments to standards	Effective for annual periods beginning on or after
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from contracts with customers	1January 2018

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within an organization model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The Directors of the organization does not anticipate that the application of IFRS 9 in the future will have a significant impact on amounts reported in respect of the Organization's financial assets and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

In May 2015, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

DIRECTOR
CDO
19/02/21
BOX 54 MZUMBE

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e., when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until a detailed review has been completed.

Amendments to IAS 16 and IAS 38 *Clarifications of Acceptable Methods of Depreciation and Amortisation*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two EPZ circumstances:

- When the intangible asset is expressed as a measure of revenue; or
- When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the organization uses the straight-line method for depreciation and amortisation for its property and equipment, and intangible assets respectively.

The Directors of the Organization does not anticipate that the application of the standard will have a significant impact on the Organization's financial statements.

Early adoption of standards

The Organization did not early-adopt any new or amended standards in the financial year.

6. Significant Accounting Policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS).

For the Companies Act 2002 reporting purposes, in these financial statements the balance sheet is equivalent to the statement of financial position and the profit and loss account is included in the statement of profit or loss and other comprehensive income.

Basis of preparation

The financial statements have been prepared under the historical cost basis of accounting as modified by revaluation of certain financial instruments which are accounted for at fair value on the assumption that the Organization will continue trading as a going concern in the foreseeable future.

The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out below:

Revenue recognition

Revenue represents the invoiced value of services, exclusive of Value Added Tax (VAT) and trade discounts where applicable and is recognised when services have been given.

Interest income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
Other income is recognized when earned.

Taxation

The tax expense represents the sum of tax currently payable and deferred tax, current taxation is computed for on the basis of the results shown in the financial statements adjusted in accordance with its applicable tax legislation.
Deferred tax is provided, using the liability method, for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred tax.
Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised while deferred tax liabilities are recognised for all taxable temporary differences.

Foreign currency translation

Transactions during the year which are denominated in foreign currencies are translated into Tanzanian Shillings at the rates ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period, which are denominated in foreign currencies, are translated into Tanzanian Shillings at rates ruling at that date. Exchange differences resulting from the translations are dealt with in the profit or loss in the year that they arise.

Inventories

Inventories are stated at the lower of cost and net realisable value. In general, cost is determined on the first in first out basis and includes direct costs incurred in bringing stocks to their existing location and condition. Net realisable value is the estimated price at which inventories can be sold in the normal course of Organization after allowing for the cost of realisation.

Provision is made where necessary for obsolete, slow moving and defective inventories.

Property, plant and equipment

Property, plant and equipment are stated at historic cost less accumulated depreciation and any accumulated impairment.

Depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its expected useful life. The useful lives applied are as follows:

Leasehold improvements are depreciated on the straight-line basis over the remaining period of lease.

For property, plant and equipment purchased or disposed of during the year, depreciation is provided on a pro-rata basis.

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Property, plant and equipment are periodically reviewed for impairment. If the carrying value of an asset is estimated to be greater than its recoverable amount, it is written down to its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Intangible assets

Costs incurred on computer software are initially accounted for at cost as intangible assets and subsequently at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in the profit or loss on straight line over the estimated useful lives not exceeding a period of four years.

Provisions

Provisions are recognized when the Organization has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Employees' entitlements to annual leave are recognised when they accrue to employees. Provision is made for the estimated liability in respect of annual leave accrued at the end of the reporting period.

Impairment

At the end of each reporting period, the Organization reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any)

Financial instruments

Financial assets and financial liabilities are recognised on the Organization's statement of financial position when the Organization becomes a party to the contractual provisions of the financial instrument.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year-end. Bad debts are written off when all reasonable steps to recover them have failed.

Trade payables

Trade payables are stated at their nominal value.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges including premiums payable on settlement or redemption, are accounted for on an accrual's basis.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of Directors to the Organization as the lessee. All other leases are classified as operating leases.
Rentals payable under operating leases are amortised on the straight-line basis over the term of the relevant lease.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, in banks, net of outstanding bank overdrafts and duly reconciled to the related items in the statement of financial position.

Comparative figures
Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year

7. Critical Accounting Judgements and Key Sources Of uncertainties

In the application of the accounting policies, management has made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are regularly reviewed and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
The areas of critical judgements and key sources of estimation uncertainty are as set out below.

Property, plant and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the Directors determined no significant changes in the useful lives and residual values.

Impairment provision

Management carries out a regular review of the status of trade receivables, inventories and other financial assets to determine whether there is any indication that these assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, which is then dealt with in the profit or loss. In determining whether an impairment loss should be recognized in the profit or loss, management checks whether there is objective evidence that the assets are impaired and that the fair values have declined. Management estimates of the required provisions are based on critical evaluation of the economic circumstances involved, historical experience and other factors that are considered to be relevant.

Taxes

The Organization is subjected to a number of taxes and levies by various government and quasi-government regulations bodies. As a rule of thumb, the Organization recognises liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgement is usually required in the interpretation and applicability of those taxes/levies. Should it come to the

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attention of managements in one way or other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined.

8. INCOME

	2020		2019	
INCOME	**TZS**	**GBP**	**TZS**	**GBP**
Donation	172,468,062.90	58,455.86	435,906,010.00	147,744.81
Revenue grants	224,333,082.54	76,034.85	-	-
Internal generated Income				
Loan scheme interest received	560,300.00	189.91	-	-
Bank Interest received	365,266.43	123.80	-	-
Tailoring fee	155,000.00	52.54	-	-
Computer cost	60,000.00	20.34	-	-
Total Revenue	**397,941,711.87**	**134,877.30**	**435,906,010.00**	**147,744.81**

9. STAFF EXPENSES

	2020		2019	
ITEMS	**TZS**	**GBP**	**TZS**	**GBP**
Staff salaries and benefits	182,119,990	61,727	113,975,000	38,630.38
NSSF Employer contribution	16,468,000	5,582	17,293,000	5,861.24
Workers Compensation Fund	1,663,300	564	1,116,800	378.53
Skills Development Levy	7,543,050	2,557	5,036,850	1,707.18
Skills Development Levy (assessed tax)	217,579	74	-	-
	208,011,919	**70,503**	**137,421,650**	**46,577**

10. TRAVELING EXPENSES

ITEMS	2020 TZS	2020 GBP	2019 TZS	2019 GBP
Vehicle expenses and fuel	11,304,112	3,831	7,133,500	2,417.81
Travelling expenses	621,600	211	3,022,000	1,024.27
	11,925,712	**4,042**	**10,155,500**	**3,442**

11. TRAINING EXPENSES

ITEMS	2020 TZS		2019 TZS	
Library services expenses	4,065,850	1,378	2,324,050	787.71
Staff capacity building/training		-	1,800,000	610.09
	4,065,850	**1,378**	**4,124,050**	**1,398**

12. GENERAL ADMINISTRATION EXPENSES

ITEMS	2020 TZS	2020 GBP	2019 TZS	2019 GBP
Board meeting allowances	1,196,000	405	4,771,238	1,617.15
Communication expenses	5,027,000	1,704	1,212,500	410.96
Bereavement contributions	175,000	59	-	-
Utilities (Water and Electricity)	1,332,500	452	1,114,750	377.83
NGO fee and another fee	685,000	232	250,000	84.73
Stationary costs	4,537,750	1,538	1,650,600	559.45
Tailoring expenses cotton bags	1,997,100	677	4,177,900	1,416.05
Other costs	1,753,700	594	6,156,800	2,086.77
Bank charges	1,555,117	527	1,083,296	367.17
Zawadi day care expenses	6,449,200	2,186	7,222,400	2,447.94
Orphans Medical support	8,675,600	2,940	6,892,550	2,336.14
Orphans Education sponsored	23,368,800	7,921	19,676,800	6,669.20

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Orphans Domestic Welfare	1,080,000	366	3,625,000	1,228.65
Orphans Social welfare	2,455,000	832	3,243,800	1,099.44
Peer Educators and home basic counseling	897,500	304	2,079,600	704.85
Grannies domestic welfare	671,000	227	830,000	281.32
Grannies monthly package	8,984,800	3,045	6,770,600	2,294.81
Grannies Social club	1,358,200	460	1,240,850	420.57
Grannies medical welfare	510,900	173	443,050	150.17
Inception meeting with RALG	180,000	61		-
Early Childhood Development Center Support to provide quality services	17,520,020	5,938		-
Covid - 19 intervention support	25,896,893	8,777		-
Web site and computer maintenance cost	2,561,452	868		-
International observance days participations	182,000	62	1,950,000	660.93
Overtime office staff refreshment	36,000	12		-
General expenses	447,579	152		-
Monitoring and learning expenses to support Early Childhood and Primary school performance	19,711,210	6,681	540,900	183.33
Guest and visitor refreshment	621,000	210	28,739,000	9,740.72
Pre-Primary schools' expenses to support best services provision	54,060	18		-
Covid - 19 Expenses at DSM CiC	13,350,000	4,525	115,404,550	39,114.91
research process		-	58,382,175	19,787.90
withholding tax		-	83,951	28.45
	153,270,381	**51,949**	**277,542,310**	**94,069**

13. MATERIAL EXPENSES

	2020		2019	
ITEMS	**TZS**	**GBP**	**TZS**	**GBP**
Office Staff tea expenses	604,350	205	-	-
Site/ office maintenance and Constructions	20,063,500	6,800	6,662,500	2,258.17
	20,667,850	**7,005**	**6,662,500**	**2,258**

14. CASH AND CASH EQUIVALENT

Description	2020		2019	
Cash	**TZS**	**GBP**	**TZS**	**GBP**
Cashier -ISRP	100	0.03	315,808	101.48
Cashier - CDO	8,790	3	54,311	17.45
	8,890	**3**	**370,119**	**119**
Bank				
Ac no.152296625900	10,949,990	3,519	10,385,629	3,337.34
Ac no.152296625901	7,806,303	2,508	46,072	14.80
Ac no.152296625902	92,181	30	7,935,934	2,550.15
Ac no.152296625906	1,186,535	381	35,037,489	11,259.02
Fixed deposit	13,300,000	4,274		-
Cash on Hand	642,333	206		-
	33,977,341	**10,918**	**53,405,124**	**17,161**
Total Cash and Equivalent	**33,986,231**	**10,921**	**53,775,243**	**17,280**

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15. PROPERTY PLANT AND EQUIPMENT

	Land	buildings	Computers	M. Vehicles	Furniture, fittings and Equipment	Total
Rates	0%	5%	37.50%	25%	13%	
Cost						
At 1 July 2019	2,950,000	213,227,400	9,480,000	25,000,000	41,275,500	291,932,900
Additions	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
At 31 Dec. 2020	**2,950,000**	**213,227,400**	**9,480,000**	**25,000,000**	**41,275,500**	**291,932,900**
Accumulated Depreciation						
At 1 July2019	-	10,661,370	3,555,000	6,250,000	5,159,438	25,625,808
Charge for the year	-	10,661,370	3,555,000	6,250,000	5,159,438	25,625,808
Disposals		-				-
At 31 Dec. 2020	-	21,322,740	7,110,000	12,500,000	10,318,876	51,251,616
Net Book Value at 31 Dec 2020	**2,950,000**	**191,904,660**	**2,370,000**	**12,500,000**	**30,956,625**	**240,681,285**

16. DEFERRED REVENUE GRANT

	2020		2019	
ITEMS	**TZS**	**GBP**	**TZS**	**GBP**
Cash and Cash equivalent as per reconciliation	33,986,231	10,921	53,775,243	17,280
Receivables	34,104,045	10,959	5,546,970	1,782
Payables	-	-	-	-
		-		-
Deferred Income Grants	**68,090,277**	**21,880**	**59,322,213**	**19,063**

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17. ACCOUNT RECEIVABLES

ITEMS	2020 TZS	2020 GBP	2019 TZS	2019 GBP
Loan Receivable	-	-	5,546,970	1782.475
CiC Grant Receivable	35,290,580	11,340		
Cash balance in ISRP	(1,186,535)	(381)		
Deferred Income Grants	**34,104,045**	**10,959**	**5,546,970**	**1,782**

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18. Related Party Transactions

During the year the Organization had no any transactions with the Directors or any other related parties.

19. Financial Risk Management Objectives and Policies

The Organization's activities expose it to a variety of financial risks, including credit risk, and the effects of changes in foreign currency exchange rates. The Organization's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, and services offered. The Organization, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees/ and stakeholders understand their roles and obligations.

The most important types of risks are:

- Credit risk
- Liquidity risk
- Market risk which is mainly due to
- Foreign exchange risk and
- Interest rate risk

A description of the significant risk factors is given below together with the risk management policies applicable.

Credit risk

Potential concentration of credit risk consists principally of short-term cash and cash equivalent due from related parties, and trade and other receivables. Trade receivables comprise a large and widespread customer base in the agriculture sector and the Organization performs ongoing credit evaluations on the financial condition of its customers. The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with high credit-ratings.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Organization's management based on prior experience and the current economic environment. The carrying amount of financial assets represents the maximum credit exposure.

The amount that best represents the Organization's maximum exposure to credit risk at 31 December 2020 without taking account of the value of any collateral obtained was:

	Fully performing	Past due	Impaired	Total
	TZS	TZS	TZS	TZS

Loan	-	-	-	-
Bank balances	-	-	-	-
Total credit exposure	-	-	-	-

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low. The debt that is overdue is not impaired and continues to be paid. The finance department is actively following this debt.

The debts which are impaired have been fully provided for. However, management is actively following up recovery of the impaired debt.

In determining the recoverability of a trade receivable, the Organization considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts already recognised.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.

The Organization manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained.
The Directors may from time to time at their discretion raise or borrow monies for the Organization as they deem fit. There are no borrowing limits in the articles of association of the Organization.

Market risk

(i) Interest rate risk management
The Organization had borrowings at fixed interest rate as at year end and hence had no financial assets/liabilities subject to interest rate sensitivity.

(ii) Interest rate sensitivity analysis
At year end the Organization was not exposed to exchange rate fluctuation as there were no interest chargeable borrowings or liabilities.

20. Capital Risk Management

The Organization manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Organization consists of issued share capital and retained earnings.

21. Contingent Liabilities

As per management review at year end, the Organization had no contingent liabilities.

22. Capital Commitments

As at 31 December 2020, the Organization had no capital commitments.

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23. Events Subsequent to the end of The Reporting Period

At the date of signing the financial statements, the Director is not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affected the financial position of the Organization and results of its operations.

24. Fair Values

The Directors considers that there is no material difference between the fair value and carrying value of the Organization's financial assets and liabilities where fair value details have not been presented.

25. Incorporation

The Organization is incorporated in the United Republic of Tanzania under the Companies Act, 2002. The registered office is as disclosed in page 1 under the corporate information page.

26. Currency

The financial statements are presented in Tanzanian Shillings (TZS) and starling pound (GBP), which are also the functional currencies.

27. Reporting period

Financial statements will be prepared at least annually. If the annual reporting period changes and financial statements are prepared for a different period, the entity must disclose the reason for the change and state that amounts are not entirely comparable. [IAS 1.36]
A company's first accounting period shall be the period of more than six months, but not more than eighteen months, beginning with the date of its incorporation. Its subsequent accounting periods shall be successive periods of twelve months beginning immediately after the end of the previous accounting period. [Tanzania Company act 2002, section 156]

The financial statement is presented under period of Eighteen months, during audit we have able to auditing financial statements for CDO for the length of Eighteen Months from July 1st 2019 to 31st December 2020, of which CDO- Childhood Development Organization, previously they were in Accounting Period which starting July 1st and ending 30th June, therefore, Due to management reasons, they have decided to change accounting period from July 1st To January 1st and ending 31st December instead of 30th June.

Children in Crossfire