

BETHSAIDA ORPHANS EDUCATION CENTRE

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**



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February, 2017

BETHSAIDA ORPHANS EDUCATION CENTRE

TABLE OF CONTENTS

1.0	BACKGROUND INFORMATION	2
2.0	REPORT OF THE EXECUTIVE COUNCIL	3
3.0	AUDITORS' REPORT	11
4.0	FINANCIAL STATEMENTS	13
5.0	ORGANISATION CHART OF BETHSAIDA ORPHANS EDUCATION CENTRE.....	27

BETHSAIDA ORPHANS EDUCATION CENTRE

1.0 BACKGROUND INFORMATION

Establishment

The Centre was registered as Bethsaida Orphans Education Centre on 1st April 2011 with registration number S.A 12458; formerly registered as Olof Palme Orphans Education Centre. The Council that served the Centre during the year under review is shown on page 4.

Location

Mpigi Magohe Road
P. O. Box 5237
Mpigi Magohe
Dar es Salaam

Headmistress

Sr. Elvira Ina'cio to June 2016
From July 2016 to date Sr. Gabriela F. Goima

Bankers

CRDB Bank Plc
Holland House Branch
Samora Avenue
Dar es Salaam

Mkombozi Commercial Bank Plc
St. Joseph Branch
Dar es Salaam

Auditors

R & S Associates
Old Post Office Building
Sokoine Drive
P.O. Box 70576
Dar es Salaam

2.0 REPORT OF THE EXECUTIVE COUNCIL

The Council submits their report together with the Audited Financial Statements for the year ended 31st December 2016, which disclose the state of affairs of Bethsaida Orphans Education Centre.

2.1 CENTRE MOTTO

Education is Liberation.

2.2 VISION

A Centre of excellence for high quality education attained through the promotion of equitable access, quality teaching and learning environment, socially integrated and ethically managed institution that motivates students to achieve their own development.

2.3 MISSION

The Bethsaida Orphans Education Centre (BOEC) is inclined to prepare socially responsible leaders for national development. At completion youths from the school will be able to participate fully in scientific activities, develop competitive analytical and problem solving skills and will be committed to foster their basic human rights based on their knowledge and conviction to improve their lives and that of others through work and service provision.

2.4 OBJECTIVES AND FUNCTIONS OF THE CENTRE

Among others the following are the key objectives of the Centre:

- Provision of education, health and other care services including meals and accommodation to orphans.
- To arrange and provide education and training for orphans, deserted and neglected child girl; and particularly to start implementing and to run the orphan education centre.
- To undertake training, research and consultancies on orphans, deserted and neglected child girl.
- To undertake representation and lobbying for the welfare and interest of the orphan child.
- To protect and defend the rights and interests of orphans.

BETHSAIDA ORPHANS EDUCATION CENTRE

- To promote and strengthen cooperation and consultation between local and international communities on matters of common interest.

2.5 MEMBERS OF THE EXECUTIVE COUNCIL

The Centre's members of the Executive Council at the date of this report, who have held office since 1st January 2016, are:

	Name	Position	Age	Qualification	Nationality	Appointment Date
1.	Michael B. Machary	Chairman	65	PhD in Economics & Finance	Tanzanian	2004
2.	Anna John	Secretary	56	Masters of Arts in Education	Tanzanian	2004
3.	Joackim Malasi	Member	46	Dip in Mechanical Engineering	Tanzanian	2004
4.	Joseph Njau	Member	53	B.Sc. in Civil Engineering	Tanzanian	2004
5.	Prosper Machary	Member	41	Form Six	Tanzanian	2004
6.	Violet Machary	Member	32	Master of Business Administration	Tanzanian	2004
7.	Raymond Michael	Member	36	M.Sc. in Computer Science	Tanzanian	2004
8.	Noel Ndevamia	Member	40	B.Sc. in Electrical Engineering	Tanzanian	2004

The Centre's Executive Council conducted three meetings during the year.

Apart from the Executive Council of the Centre there is also a separate Board for supervising the Centre's school. The current school Board members who served during the year under review are as listed below:

	Name	Position	Nationality	Appointment Date
1.	Rogathe Chuwa	Chairperson	Tanzanian	2 nd July 2011
2.	Sr. Elvira Ina'cio	Secretary	Mozambican	14 th Jan 2014
3.	Fr. Erasto Mgani	Member	Tanzanian	2 nd July 2011
4.	Michael B. Machary	Member	Tanzanian	2 nd July 2011
7.	Romanus Lyimo	Member	Tanzanian	2 nd July 2011
8.	Eusebius Chilipweli	Member	Tanzanian	2 nd July 2011

The school Board held seven meetings during the year under review.

2.6 PERFORMANCE OF THE CENTRE

2.6.1 Financial Performance

During the year under review the Centre recorded income of TZS 214,246,685 including amortization of capital grant of TZS 14,551,793 against expenditure of TZS 260,930,634 leading into a deficit of TZS 46,683,949 against deficit of TZS 40,143,913 recorded in the previous year. Total operating cost for the year was TZS 260,930,634 compared with TZS 246,992,962 for the financial year 2015.

Decrease in revenue resulted from deterioration of contribution from internal and external donors where in the year under review total contribution from donors was TZS. 193.0m compared to TZS. 236.1m received in the previous year. On the other hand increase in expenditure resulted from increase in buildings repairs costs, introduction of security service in the compound, introduction of National Health contribution insurance services for students and increase in students food costs following increase in the number of students from 147 in the year 2015 to 160 in the year 2016.

2.6.2 Operation Performance

During the year under review the Centre had total number of 160 students from form one to four, compared with 147 students in 2015. Student recruitment was done from different parts of the country.

In 2016 the number of staff was 16 (13 full time and 3 volunteer staff) compared with to 14 staff (12 full time staff, 1 part time and 1 volunteer staff) for the financial year 2015.

Two students out of 38 who sat for form four national exams (CSEE) in 2016 whose results were published in February 2017 scored division I while eleven students scored Division II, and seventeen students scored division III, and three students scored division IV hence there was no failure.

Seven students out of 39 who sat for Form Two National Assessment (FTNA) in 2016 whose results were published in February 2017 scored division I while fifteen students scored division II and seventeen students scored division III, there was no division IV or failure. The school emerged in the position of 8th in the region in the category of below 40 students and in the position of 74th national wise in the category of

BETHSAIDA ORPHANS EDUCATION CENTRE

below 40 students. The school has gain 6 points regional wise and 27 points national wise as compared to the year 2015 which is a remarkable improvement.

Sixteen students out of the 24 students who sat for Certificate of Secondary Education Examination (CSEE) in November 2015 were selected to join different High Schools in July, 2016 while others have joined different colleges, including Nursing, Teaching and Business Colleges.

Seven former Bethsaida students, who completed Form 6 in May, 2016 have been selected to join various higher education collages including University of Dodoma, Tanzania Institute of Accountancy, National Institute of Transport, Muhimbili University of Health and Allied Sciences, Institute of Finance Management and St. Joseph University of Tanzania.

On 8th October, 2016, we held a graduation ceremony in which we gathered all Bethsaida former staff, students and supporters to celebrate together the achievements of the centre.

With the help of our friends and supporters we have succeeded to rehabilitate the school buildings especially the toilets and bathrooms in the students' dormitories.

We have also rehabilitated three classrooms for students to study in, providing conducive environment for improving their academic performance in both internal and external examinations.

The school continued to maintain its objective of supporting orphan girls by providing free education to all students including academic, uniforms and boarding costs.

2.7 CHALLENGES AHEAD OF THE CENTRE

Lack of adequate financial resources has continued to be the main problem facing BOEC in ensuring that requisite infrastructure and facilities are in place for the attainment of the vision of establishing a centre of excellence for the provision of an all-round high quality education to the orphan youths.

Bethsaida Orphans Education Centre has continued to depend on the very small financial base provided by its members and a few well-

BETHSAIDA ORPHANS EDUCATION CENTRE

wishing communities, individuals and institutions. We, therefore, lack the financial resources for recruiting and paying appropriate salaries to teachers and supporting staff. As a result many of them do not stay for a long time enough at the school.

The lack of financial resources also makes Bethsaida Orphans Education Centre and the school unable to establish major income generating projects such as a big fish pond, large scale poultry and dairy farming, a bakery or a whole sale shop for food stuff and beverages that would greatly help sustain the activities of the Centre and the school.

2.8 FUTURE PLANS

In order to address the challenges facing the Centre efficiently and effectively, Management is still in the process of preparing Strategic Plan which will define the Centre's road map at the pace of short, medium and long term plans.

Management is also working to establish vocation training centre for those orphans who could not join formal secondary school education. The planned vocation training centre will cater for both boys and girls.

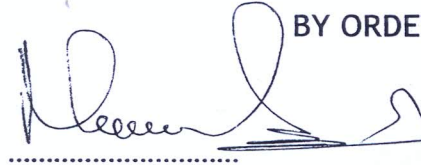
Furthermore, management is also looking forward depending on the availability of funds

- i) To establish a Computer Training Wing in January 2017
- ii) To increase the intake of the students up to 320 students in Forms I - IV
- iii) To establish Advanced Level Secondary Education Certificate - Form V and VI
- iv) To establish a Vocational Training stream for cookery and bakery tailoring and cosmetology including basic computer studies
- v) To build 4 classrooms and two Laboratories, 1 for Biology and 1 for Chemistry
- vi) To establish income generating projects including a bakery and a broiler chicken project, and
- vii) To build a multipurpose hall to provide a better study environment for the pupils.

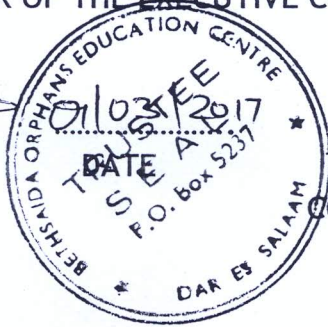
2.9 SOLVENCY POSITION

The Council considers the Centre's solvency position as shown in the Financial Statements set out on pages 11 to 22 coupled with operation set up of the Centre to be satisfactory and consider the entity to be going concern for at least in the period of twelve month to come.

BY ORDER OF THE EXECUTIVE COUNCIL



MICHAEL B. MACHARY
CHAIRMAN OF THE COUNCIL



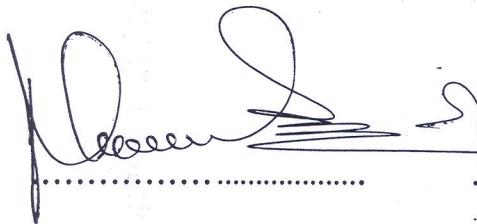
VIOLET MACHARY
COUNCIL SECRETARY

2.10 STATEMENT OF THE COUNCIL REGARDING THE FINANCIAL STATEMENTS


The Societies Act, CAP 337 (R.E. 2002) requires the Council to prepare financial statements for each financial period that give a true and fair view of the financial position of the Centre as at the end of the financial period and of its statement of financial performance, statement of changes in equity and statement of cash flow. It also requires the Council to ensure that the Centre keeps proper accounting records that disclose with reasonable accuracy the financial position of the Centre. The Council is also responsible for safeguarding the assets of the Centre.

The Council accepts responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conforming to the accounting basis described in Note 1 to the Financial Statements and in the manner required by various donors and Societies Act of 2002.

The Council members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Centre and its deficit. The Council further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate system of internal financial control.


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Chairperson of the Council

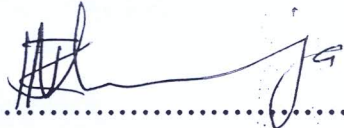
01/03/2017
.....
Date


.....
Council Member

2.11 DECLARATION OF THE HEAD OF FINANCE

I JAMES MINJA being the Head of Finance of Bethsaida Orphans Education Centre hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st Dec 2016 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and applicable statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Bethsaida Orphans Education Centre as at 31st Dec 2016 and that they have been prepared based on properly maintained financial records.

Signed by: JAMES MINJA 

Position: HEAD OF FINANCE

NBAA Membership No.: 17401 - GA 3296

Date: 1st March, 2017

3.0 AUDITORS' REPORT

Chairman of the Council
Bethsaida Orphans Education Centre
P. O. Box 5237
Kinondoni, Dar es Salaam

**REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL MEMBERS
OF BETHSAIDA ORPHANS EDUCATION CENTRE**

We have audited the accompanying financial statements of Bethsaida Orphans Education Centre on pages 11 to 22, which comprise the Statement of Financial Position as at 31st December 2016, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year ended 31st December 2016 and Summary of Significant Accounting Policies and other explanatory notes.

This report, including the opinion, has been prepared for, and only for the Centre as a body in accordance with the Non Governmental Act No. 24 of 2002 and for no other purposes.

Respective Responsibilities of the Council

As described in the Statement of Council's Responsibilities, the Council is responsible for the preparation and fair presentation of financial statements in accordance with donors' conditions and International Public Sector Accounting System (IPSAS). This responsibility includes designing, implementing and maintaining internal control activities relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibilities of the Auditors

Our responsibility as auditors is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the

BETHSAIDA ORPHANS EDUCATION CENTRE

International Public Sector Accounting System, Centre's policies, donors' conditions and Non Governmental Act No. 24 of 2002. We also report to you if, in our opinion, the Council's Report is not consistent with the financial statements, if the Centre has not kept proper accounting records, if we have not received all the information and explanations we required for our audit, or if information specified by law regarding the Centre is not disclosed.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Unqualified Opinion

In our opinion the Bethesda Orphans Education Centre's financial statements present fairly the financial position of the Centre as at 31st December 2016 and its statement of financial performance and cash flows statement for the year then ended. The Centre's accounting records are being maintained in accordance with International Public Sector Accounting System and where applicable to the terms of individual donors who are contributing to the Centre.

There are reasonable internal controls of the key transaction streams which have been operating effectively during the period under review.

Yours sincerely
R & S ASSOCIATES
Certified Public Accountants
DAR ES SALAAM



Salvatory D. Njau - ACPA 986 PP
PARTNER



Date 9/3/2017

BETHSAIDA ORPHANS EDUCATION CENTRE

4.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2016

	NOTE	31.12.2016 TZS	31.12.2015 TZS
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	467,263	20,128,696
Stock	3	<u>12,890,200</u>	<u>13,117,500</u>
		13,357,463	33,246,196
NON CURRENT ASSETS			
Property, Plant and Equipment	2	<u>384,757,458</u>	<u>408,145,321</u>
		384,757,458	408,145,321
Total Assets		<u>398,114,921</u>	<u>441,391,516</u>
CURRENT LIABILITIES			
Audit Fees Payable		1,180,000	600,000
NSSF		1,008,000	-
Salary Payable		<u>3,976,000</u>	-
Total Current Liabilities		<u>6,164,000</u>	<u>600,000</u>
NET ASSETS		<u>391,950,921</u>	<u>440,791,516</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Capital		251,087,800	251,087,800
Grant		227,690,983	229,847,629
Accumulated Surplus/ (Deficit)		<u>(86,827,862)</u>	<u>(40,143,913)</u>
TOTAL EQUITY		<u>391,950,921</u>	<u>440,791,516</u>


The Financial Statements on pages 13 to 26 were authorized for issue by the Council and signed on its behalf by:



COUNCIL CHAIRMAN

01/03/2017

DATE



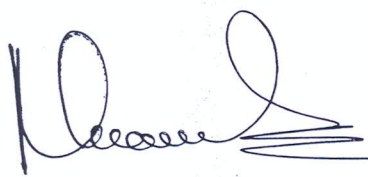

COUNCIL MEMBER

BETHSAIDA ORPHANS EDUCATION CENTRE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST
DECEMBER 2016

INCOME	NOTE	2016	2015
Income from Exchange Transactions		TZS	TZS
Income from Projects and Other Income	7	6,627,600	9,598,776
Income from Non Exchange Transactions			
Income from Donors	5	193,067,292	236,138,669
Amortization of Capital Grants	6	<u>14,551,793</u>	<u>12,681,454</u>
TOTAL INCOME		<u>214,246,685</u>	<u>258,418,899</u>
LESS EXPENSES			
Administrative Expenses	8	149,192,295	136,596,564
Personnel Expenses	9	58,361,800	59,454,100
Operating Expenses	10	14,461,360	16,596,000
Depreciation	2	35,783,009	32,698,097
Miscellaneous Expenses		<u>3,132,170</u>	<u>1,648,200</u>
TOTAL EXPENSES		<u>260,930,634</u>	<u>246,992,962</u>
Surplus/(Deficit) for the Year		(46,683,949)	11,425,937
Surplus/(Deficit) Brought Forward		(40,143,913)	(51,569,850)
Surplus/(Deficit) Carried Forward		(86,827,862)	(40,143,913)

The Financial Statements on pages 13 to 26 were authorized for issue by the Council and signed on its behalf by:

 COUNCIL CHAIRMAN	01/03/2017 DATE	 COUNCIL MEMBER
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BETHSAIDA ORPHANS EDUCATION CENTRE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016	2015
	TZS	TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS	2016	2015
Income from Donors	193,067,292	236,138,669
Income From Projects	<u>6,627,600</u>	<u>9,598,776</u>
TOTAL RECEIPTS	199,694,892	245,737,445
EXPENDITURE		
Administrative Expenses	144,408,995	164,694,764
Personnel Expenses	57,353,800	59,454,100
Operating Expenses	14,461,360	16,596,000
Miscellaneous Expenses	<u>3,132,170</u>	<u>1,648,200</u>
TOTAL EXPENDITURE	<u>219,356,325</u>	<u>242,393,064</u>
Net Cash Generated from Operating Activities	(A) (19,661,433)	3,344,381
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	<u>(12,395,147)</u>	-
Net Cash Flow from Investing Activities	(B) (12,395,147)	-
CASHFLOW FROM FINANCING ACTIVITIES		
Grants	<u>12,395,147</u>	-
Net Cash Flow from Financing Activities	(C) 12,395,147	-
Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(19,661,433)	3,344,381
Cash and Cash Equivalents at the Beginning of the Year	<u>20,128,696</u>	<u>16,784,315</u>
Cash and Cash Equivalents at the End of the Year	<u><u>467,263</u></u>	<u><u>20,128,696</u></u>

The Financial Statements on pages 13 to 26 were authorized for use by the Council and signed on its behalf by:



COUNCIL CHAIRMAN

01/03/2017

DATE



COUNCIL MEMBER

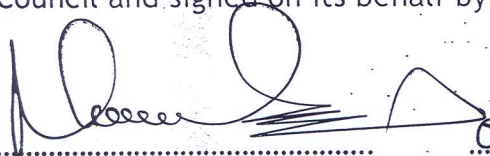
BETHSAIDA ORPHANS EDUCATION CENTRE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER
2016

	CAPITAL TZS	GRANTS TZS	RESERVES TZS	TOTAL TZS
Balance as at 01.01.2016	251,087,800	229,847,629	(40,143,913)	440,791,516
Additions	-	12,395,147	-	12,395,147
Amortization of Grants	-	(14,551,793)	-	(14,551,793)
Surplus/(Deficit) for the Year	-	-	(46,683,949)	(46,683,949)
Balance as at 31.12.2016	<u>251,087,800</u>	<u>227,690,983</u>	<u>(86,827,862)</u>	<u>391,950,921</u>

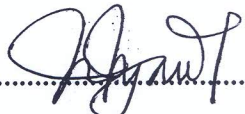
	CAPITAL TZS	GRANTS TZS	RESERVES TZS	TOTAL TZS
Balance as at 01.01.2015	251,087,800	238,329,083	(51,569,850)	437,847,033
Additions	-	4,200,000	-	4,200,000
Amortization of Grants	-	(12,681,454)	-	(12,681,454)
Surplus/(Deficit) for the Year	-	-	11,425,937	11,425,937
Balance as at 31.12.2015	<u>251,087,800</u>	<u>229,847,629</u>	<u>(40,143,913)</u>	<u>440,791,516</u>

The Financial Statements on pages 13 to 26 were authorized for issue by the Council and signed on its behalf by:


.....
01/03/2017

COUNCIL CHAIRMAN

DATE


.....

COUNCIL MEMBER

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2016

DESCRIPTION	BUDGET TZS '000'	ACTUAL TZS '000'	VARIANCE TZS '000'	VARIANCE %	Reason for Variance
RECEIPTS					
Income from Donors	347,088,750	193,067,292	(154,021,458)	(44)	Economic challenges faced by donors
Income From Projects	8,400,000	6,627,600	(1,772,400)	(21)	High market competition on handcraft products
TOTAL RECEIPTS	355,488,750	199,694,892	(155,793,858)		
EXPENDITURES					
Administrative Expenses	126,105,750	144,408,995	(18,303,245)	(15)	Increase of buildings repair costs, introduction of security service at the compound and increase of food cost due to increase in number of students
Personnel Expenses	115,243,000	57,353,800	57,889,200	50	Less number of recruited staff due to limited resources
Operating Expenses	25,395,000	14,461,360	10,933,640	43	Some of students supported by Centre had completed their studies which led to decrease of operating expenses as budgeted before.
Miscellaneous Expenses	88,745,000	3,132,170	85,612,830	96	Due to delays of buildings construction from donors support. Funds have not been released
TOTAL EXPENDITURE	355,488,750	219,356,325	136,132,425		

The Financial Statements on pages 13 to 26 were authorized for issue by the Council and signed on its behalf by:


 COUNCIL CHAIRMAN


 COUNCIL MEMBER

01/03/2017
 DATE

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Financial Statements of Bethsaida Orphans Education Centre have been prepared in accordance with International Public Sector Accounting Standard (IPSAS). Except where otherwise stated in the accounting policies, the initial measurement applied is the historical cost and subsequent measurement is the fair value. The financial statements are prepared in Tanzania shilling (TZS).

(b) Foreign Currency Translation

The Statement of financial performance is presented in Tanzania Shillings (TZS). Foreign currency transactions during the year are translated to Tanzanian Shillings using weighted average rate. Cash balances in USD currency at the end of the period are translated to TZS using the closing exchange rate. Foreign exchange gains or losses resulting from the settlement of monetary assets and liabilities denominated in foreign currency are recognised in the Statement financial performance. The year-end exchange rate was TZS/USD 2175.34 and weighted average rate for the year was TZS/USD 2039.22.

(c) Property, Plant and Equipment

Property, plant and equipment are initially recorded at cost. These assets are subsequently stated at historical cost, less depreciation. Historical cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be reliably measured.

Depreciation is calculated using the straight line method to allocate the cost of each asset to its residual value over the estimated useful life as follows:

Description of the Asset	Rate
Furniture and Fittings	12.5%

BETHSAIDA ORPHANS EDUCATION CENTRE

Office/Laboratory Equipment	12.5%
Buildings	5%
Motor Vehicles	25%
Computers	25%

NB: Normal repair and maintenance cost is charged in the statement of financial performance.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value .

(e) Stocks

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost or net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost or current replacement cost.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Centre.

Full provision for impairment of inventories is recognized immediately when the Centre establishes that specific inventory is damaged or is of no use.

(f) Provisions and Contingencies

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

BETHSAIDA ORPHANS EDUCATION CENTRE

The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

Contingent Liabilities

The Centre does not recognize a contingent liability; but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent Assets

The Centre does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Centre in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs

(g) Revenue and Grants

(i) Revenue Recognition

Revenue from donations is recognized when received.

(ii) Grants Recognition

Revenue grants are treated as income in the Statement of Financial Performance. Capital grants are initially credited to the capital grant account and subsequently released to statement of financial performance in amounts equivalent to the annual depreciation charged in respect of the assets financed by the grant.

(iii) Food Donation

Food donation given in kind is recognized at fair value at the time of receiving an item and is recognized in the statement of financial performance as income from non exchange transaction at fair value.

(h) Employee Benefits

Short-term Employee Benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as salary, paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the year in which the service is rendered and are not discounted.

Retirement Benefit Obligations

The Centre and its employees contribute to the National Social Security Fund (NSSF), which defined pension contribution schemes. The Centre's contributions to the defined pension scheme are charged to the Statement of Financial Performance in the year to which they relate.

BETHSAIDA ORPHANS EDUCATION CENTRE

NOTE 2 PROPERTIES, PLANT AND EQUIPMENT

Cost	Laboratory	Motor	Buildings	Computers	Furniture	Students	TOTAL
	Equipment	Vehicles			& Fittings	Utensils	
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Balance as at 01.01.2016	5,519,000	16,377,500	611,151,948	2,050,000	7,505,000	204,000	642,807,448
Additions	-	-	-	12,080,147	-	315,000	12,395,147
Balance as at 31.12.2016	5,519,000	16,377,500	611,151,948	14,130,147	7,505,000	519,000	655,202,595
Depreciation							
Balance as at 01.01.2016	4,092,500	16,377,500	210,233,527	610,000	3,144,600	204,000	234,662,127
Charge for the Year	689,875	-	30,557,597	3,532,537	938,125	64,875	35,783,009
Balance as at 31.12.2016	4,782,375	16,377,500	240,791,125	4,142,537	4,082,725	268,875	270,445,137
NBV as at 31.12.2016	736,625	-	370,360,823	9,987,610	3,422,275	250,125	384,757,458
Cost							
Balance as at 01.01.2015	5,519,000	16,377,500	611,151,948	130,000	5,225,000	204,000	638,607,448
Additions	-	-	-	1,920,000	2,280,000	-	4,200,000
Balance as at 31.12.2015	5,519,000	16,377,500	611,151,948	2,050,000	7,505,000	204,000	642,807,448
Depreciation							
Balance as at 01.01.2015	3,402,625	16,377,500	179,675,930	97,500	2,206,475	204,000	201,964,030
Charge for the Year	689,875	-	30,557,597	512,500	938,125	-	32,698,097
Balance as at 31.12.2015	4,092,500	16,377,500	210,233,527	610,000	3,144,600	204,000	234,662,127
NBV as at 31.12.2015	1,426,500	-	400,918,421	1,440,000	4,360,400	-	408,145,321

BETHSAIDA ORPHANS EDUCATION CENTRE

	31.12.2016	31.12.2015
	TZS	TZS
NOTE 3 STOCK		
Opening Stock	13,177,500	-
Received Stock	78,077,200	84,563,260
Expended Stock	<u>(78,304,500)</u>	<u>(71,445,760)</u>
Closing Stock	<u>12,890,200</u>	<u>13,117,500</u>

	31.12.2016	31.12.2015
	TZS	TZS
NOTE 4 CASH AND CASH EQUIVALENTS		
CRDB Acc No. 01J1021825200	423,803	1,280,953
MKOMBOZI 00110502454301	501,700	1,237,900
CRDB 01J1021210300	613,252	819,352
CRDB USD ACC NO. 02J2021210300	(2,123,314)	15,358,529
CRDB TZS ACC NO. 01J1021210301	111,423	289,923
CRDB TZS ACC NO. 01J1021210302	(100,000)	35,539
CASH AT HAND	<u>1,040,400</u>	<u>1,106,500</u>
TOTAL	<u>467,263</u>	<u>20,128,696</u>

	2016	2015
	TZS	TZS
NOTE 5 INCOME FROM DONORS		
African Children Haven	-	3,077,500
Aid Matrix Foundation	-	876,200
Airport Collections	2,198,559	1,870,546
Elfi Monroe	6,406,260	-
Deborah Schultz	-	3,670,000
Fatina Said	500,000	4,500,000
Ginette Aubim-Edme	8,116,430	-
Iain George Pears	5,428,200	6,219,200
Katherine A. Beilby	1,025,000	1,340,000
Kimara Parish	1,200,000	-
Kibamba Parish	-	235,000
Kimanga Parish	-	5,600,000
Lucy Chami	1,275,100	1,980,000
Masaki Parish	1,000,000	-
Mark and Carol Peterson	-	2,414,880
Mavurunza Parish	2,450,000	2,072,000
Mbezi Louis Parish	1,060,000	2,485,000

BETHSAIDA ORPHANS EDUCATION CENTRE

Michael Machary	-	13,020,000
Mkombozi Commercial Bank Ltd	1,581,000	3,162,000
Other Donors	31,667,243	43,568,434
Salasala Parish	540,000	-
Serving Orphans Worldwide	38,492,220	35,987,194
Sinza Parish	-	2,063,000
St.Gasper Parish - Mbezi Beach	2,600,000	3,969,000
Techno Brain Ltd	-	5,240,000
Ubungo Msewe Parish	-	759,000
Ullswater Community College	9,450,080	5,075,200
Volunteers Programme	-	2,391,254
Received donation of stocks of food	<u>78,077,200</u>	<u>84,563,260</u>
TOTAL	<u>193,067,292</u>	<u>236,138,669</u>

NOTE 6 AMORTIZATION OF CAPITAL GRANTS

	2016 TZS	2015 TZS
Computers(25% of the addition)	3,020,037	480,000
Furniture & Fittings (12.5% of the addition)	-	285,000
Utensils(12.5% of the addition)	39,375	-
Grants(5% of the opening balance)	<u>11,492,381</u>	<u>11,916,454</u>
	<u>14,551,793</u>	<u>12,681,454</u>

NOTE 7 INCOME FROM PROJECTS AND OTHER INCOME

	2016 TZS	2015 TZS
Cards Project	6,627,600	6,424,350
Exchange Gain	-	3,174,426
TOTAL	<u>6,627,600</u>	<u>9,598,776</u>

NOTE 8 ADMINISTRATIVE EXPENSES

	2016 TZS	2015 TZS
Management Fee (Sacramentine Sisters)	4,500,000	9,000,000
Audit Fee	1,180,000	600,000
Bank Charges	1,689,886	1,696,878
Borehole Repair	-	4,636,400
Buildings Rehabilitation	11,517,000	7,493,500

BETHSAIDA ORPHANS EDUCATION CENTRE

Cleanliness Equipment	80,000	-
Electrical Bills	5,960,000	6,210,000
Electrical Maintenance	1,363,000	313,200
Environment Maintenance	257,000	1,336,000
Firewood and Gas Expenses	1,329,000	2,275,000
Form IV Graduation	5,061,400	8,298,700
Fuel and Oils	6,348,400	5,080,360
Furniture Maintenance	260,000	-
Hospitality	4,286,549	2,192,200
Legal Services Fee	-	400,000
Livestock and Animal Feeds	739,500	370,500
Motor Vehicles Maintenance	5,656,500	2,308,500
National Health Insurance Fund	2,419,200	-
NGO Annual Fees	40,000	40,000
Pay As You Earn(PAYE)	-	2,073,600
Plumbing Materials	114,000	143,500
Postage and Mailing Service	240,860	443,020
Reimbursement	-	40,000
Security Services	5,120,000	-
Stationery	2,612,775	1,679,273
TAHOSSA	1,713,350	1,820,050
Text Books	2,559,475	3,861,900
Transport Expenses	4,283,100	678,000
Water Pumps Repair	-	460,000
Website Hosting Charges	844,000	1,680,223
Workers Compensation Fund	712,800	-
Expended Stock	<u>78,304,500</u>	<u>71,445,760</u>
TOTAL	<u>149,192,295</u>	<u>136,576,564</u>

NOTE 9 PERSONNEL COSTS

	2016	2015
	TZS	TZS
Staff Salaries	51,780,000	39,338,400
National Social Security Fund	5,203,000	3,675,000
Volunteers Expenses	1,378,800	1,460,000
Gratuity And Leave Payments	-	<u>14,980,700</u>
TOTAL	<u>58,361,800</u>	<u>59,454,100</u>

BETHSAIDA ORPHANS EDUCATION CENTRE

NOTE 10 OPERATING EXPENSES	2016 TZS	2015 TZS
Ex-Students' Pocket Money	533,960	5,310,000
Examination Fees	3,000,000	2,350,000
Lab. Chemicals & Equipment	1,299,900	4,370,000
School Garden	122,500	69,000
School Inspection Fee	790,000	147,000
Students' Uniforms	8,025,000	3,650,000
Students' Study Tour	<u>690,000</u>	<u>700,000</u>
TOTAL	<u>14,461,360</u>	<u>16,596,000</u>

NOTE 11 CASHFLOW FROM OPERATING ACTIVITIES

CASHFLOW FROM OPERATING ACTIVITIES	2016 TZS	2015 TZS
Surplus / (Deficit) for the Year	(46,683,949)	11,425,937
Adjustment for Non Cash Items		
Amortization	(14,551,793)	(12,681,454)
Depreciation	<u>35,783,009</u>	<u>32,698,097</u>
Operating Surplus/ (Deficit) before Changes in Working Capital	(25,452,733)	31,442,581
Increase in Salary & Gratuity Payables	3,976,000	(14,980,700)
Increase in NSSF Payable	1,008,000	-
Increase in Audit Fee Payable	580,000	-
Decrease in Stock	<u>227,300</u>	<u>(13,117,500)</u>
Cash Flow Generated from / (Used) in Operating Activities	(A) <u>(19,661,433)</u>	<u>3,344,381</u>

NOTE 12 COMPARATIVE FIGURES

Previous year's figures have been re-classified where necessary, to make them comparable with current year's figures.

5.0 ORGANISATION CHART OF BETHSAIDA ORPHANS EDUCATION CENTRE

