



**THE ORPHANS FOUNDATION FUND (OFF)
P.O. Box 14606, ARUSHA – TANZANIA.**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2011.**

**PAN & ASSOCIATES
P.O. Box 79822
DAR ES SALAAM**

AUDITORS & TAX CONSULTANTS

THE ORPHANS FOUNDATION FUND (OFF)

**AUDITED FINACIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011**

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THE ORPHANS FOUNDATION FUND
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE PERIOD ENDED 31 DECEMBER 2011

1. INTRODUCTION

The management committee submits its report and the audited financial statements for the year ended 31st December 2011 which disclose the state of affairs of the organization's activities as funded by the donors

Project title:

- 1.1 Street children project
- 1.2 Sustainable livelihood project for Grannies & widows Child headed families
- 1.3 Rafiki Food project
- 1.4 Zaire ward water and sanitation project.
- 1.5 Lengasti water Dams project
- 1.6 Masai women Group project
- 1.7 Vodacom Chicken Project.

2. STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES FOR THE YEAR ENDED 31st DECEMBER, 2011

Under the provision of the relevant laws governing such organization, a management committee is required to prepare financial statements, which give a true and fair view state of affairs of the organization as at the end of the financial period. It also requires the management committee to ensure that the organization maintains proper accounting records, which disclose the reasonable accuracy of the financial position of the organization. The management committee is also responsible for safeguarding the Assets of the organization.

The management committee accepts the responsibility for the financial statement which has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates consistent with previous year, and in conformity with the International Financial Reporting Standards. The management committee are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization as at 31st December, 2011 and of its operating result for the period that ended. The management committee further confirms the accuracy and completeness of the accounting records maintained by the organization, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal controls.

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

3. PRINCIPAL ACTIVITY

The principal activity of OFF continue to be provision of care and support to orphans and vulnerable children.

4. RESULTS FOR THE YEAR 2011

Project Fender:

Table 1 Grant to OFF between 1st January, 2011 to 31st December, 2011

Restricted Fund Donor Partner	AMOUNT 2011 TSHS	AMOUNT 2010 TSHS
Vodacom Tanzania	15,000,000	-
Cordaid	61,678,484	57,486,206
Childhood Health Associate	167,291,500	6,500,000
Strategies for life (SLF)	22,707,500	36,220,335
International relief Fund (DRF)	6,163,950	18,123,000
Krista Anna Katharina	-	2,885,632
Daniela & Family	2,040,560	3,395,802
Dr. James Lace	-	126,611,794
Local donation	-	1,046,120
Material donation & other support	2,743,500	10,459,707
Dough & Vicky	2,635,000	-
Insurance	4,280,000	-
Local & International individuals contribution	50,997,434	-
TOTAL	335,537,928	262,728,596

5. MANAGEMENT COMMITTEE MEMBERS

The names of management committee who held office at the date of this report are shown below.

- 1. Gosberth H. Baitwa - Executive Director
- 2. Raymond Mihayo - Finance and Administration
- 3. Richard Talagwa - Projects manager
- 4. Caroline Nyiti - Social Worker

6. AUDITORS

The auditors: PAN & ASSOCIATES who were appointed as auditors for the year 2011 have expressed their willingness to be re-appointed and continue in office and do so under the Companies Act, 2002

BY ORDER OF THE BOARD

Approved by the Management committeeand signed on its behalf by:



Gosberth H. Baitwa
Executive Director



Felix L. Kisaka
Secretary of the Board



Raymond Mihayo
Finance & Admin Manager





AUDITORS' REPORT
To the Members of
ORPHANS FOUNDATION FUND (OFF)

Page 4

We have audited the accompanying financial statements of Orphans Foundation Fund for the year ended 31st December 2011 as set out on pages 4 to 12 which have been prepared under the historical cost convention, and on the basis of the accounting policies set out on page 8. We obtained all the information and explanations, which we considered necessary for our audit.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The Directors are responsible for the preparation of the financial statements. Our responsibility as auditors is to express an opinion on these financial statements based on our audit.

BASIS OF OPINION

We conducted our audit in accordance with approved auditing standards. We planned and performed the audit so as to obtain a reasonable assurance that the financial statements are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgements made by the management in the preparation of the financial statements and whether the accounting policies are appropriate in the fund's circumstances consistently applied and adequately disclosed.

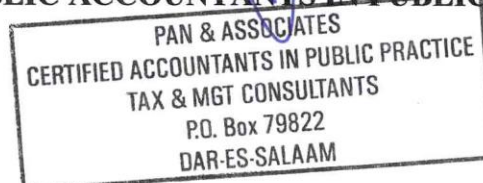
OPINION

In our opinion, in all material respects, the financial statements give a true and fair view of the state of the financial affairs of the company as at 31st December 2011 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE

DAR ES SALAAM

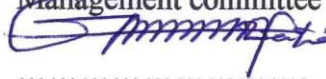
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**BALANCE SHEET AS AT
31 DECEMBER 2011**

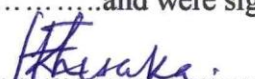
		2011 TSHS	2010 TSHS
	NOTES		
NON CURRENT ASSETS			
Property, Plant & Equipments	3	<u>101,301,328</u>	<u>91,559,690</u>
		<u>101,301,328</u>	<u>91,559,690</u>
CURRENT ASSETS			
Advances & Prapayments	4	-	1,200,000
Bank & Cash Balances	5	<u>1,251,209</u>	<u>5,053,869</u>
		<u>1,251,209</u>	<u>6,253,869</u>
LESS: CURRENT LIABILITIES			
Creditors & Accruals	6	<u>7,031,590</u>	<u>3,656,590</u>
Net Current Assets		<u>(5,780,381)</u>	<u>2,597,279</u>
TOTAL ASSETS		<u>95,520,947</u>	<u>94,156,969</u>
Represented by:			
Capital Fund	7	90,869,166	91,559,691
Reserved Funds	8	4,651,781	2,597,279
		<u>95,520,947</u>	<u>94,156,970</u>

These financial statements which appear on pages 5 to 12 were approved by the Management committee on.....and were signed on its behalf by



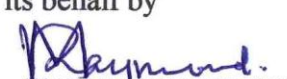
Gosberth H. Baitwa
Executive Director





Felix L. Kisaka
Secretary of the Board





Raymond Mihayo
Finance & Admin Manager



**INCOME STATEMENT AS AT
31 DECEMBER 2011**

	NOTE	2011 TSHS	2010 TSHS
INCOME:			
Grants	Page 1	335,537,928	262,729,596
Other Income: OFF Contribution		-	6,118,847
Kikatiti Farm		-	442,000
Total Income		335,537,928	269,290,443
LESS: EXPENSES			
Donations and Support		-	13,410,250
Sustainable liverhood project for Gannies Widows and child headed Families (IDRF)		6,163,950	18,816,415
Staff Costs	9	60,699,330	41,126,990
Lengasti Water Dams Project		43,324,000	-
Kikatiti water and terming		-	2,125,000
Daniela & Family		2,040,560	
Other development & Support to the centres		65,000,000	
Doug & Vicky		2,635,000	-
Rafiki child care		-	21,814,800
Street children project (Cordaid)		41,528,484	40,336,630
Zaire ward water and sanitation project		6,163,950	42,061,660
Administration cost	10	35,520,523	55,361,899
Orphan care centre project		-	3,570,069
Rafiki Food Project		22,707,500	-
Masai Women Group Project		28,700,130	9,646,797
Total expenditure		314,483,427	248,270,510
Surplus / (Deficit) for the year		21,054,502	21,019,933
Analyzed as follows:			
Restricted Funds		21,054,502	21,019,933
NET SURPLUS		21,054,502	21,019,933

**CASH FLOW STATEMENT AS AT
31 DECEMBER 2011**

	2011 TSHS	2010 TSHS
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	21,054,502	21,019,933
Opening balance adjusted	-	
Working Capital Adjustment:		
Increase in work in progress	(10,432,162)	23,338,660
Increase Advances an prepayments	1,200,000	3,650,000
Increase in creditors and Accruals	<u>3,375,000</u>	<u>(6,054,770)</u>
Cash flow from operating activities	15,197,340	41,953,823
Cash Flow from investment activities		
Purchases of Fixed Asset	(19,000,000)	(37,484,350)
Capital Grants received	-	
Net Increase / Decrease in cash	<u>(3,802,661)</u>	<u>4,469,473</u>
Cash and Cash equivalent at 1.1.2011	<u>5,053,869</u>	<u>584,396</u>
Cash and cash equivalent at 31.12.2011	<u>1,251,209</u>	<u>5,053,869</u>

THE ORPHANS FOUNDATION FUND (OFF)

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER, 2011.

1. **The basis of accounting**

These accounts have been prepared on historical cost accounting convention.

2. **Principal accounting policies**

(a) **Depreciation**

Depreciation is calculated on a straight line method to write off the cost of Fixed assets value the estimated economic useful lives of the assets concerned.

(b) The annual rates used are as follows:-

Furniture and fittings	10%
Furniture and Equipment.....	12.5%
Computer and Accessories.....	10%
Motor vehicles.....	15.7%
Land and Building.....	NIL

**NOTES TO THE FINANCIAL STATEMENTS AS AT
31 DECEMBER 2011 (Continued)**

3 FIXED ASSETS	Land	Motor	Furniture	Computer &	FURNITURE	TOTAL
COST/VALUATION	TSHS	vehicle	& Fittings	Accessories	& EQUIPMENT	TSHS
		TSHS	TSHS	TSHS	TSHS	
Balance as at 1 January 2011	53,852,100	39,990,000	12,442,800	16,512,160	465,620	123,262,680
Additions during the period		19,000,000	-	-	-	19,000,000
Balance as at 31 December 2011	<u>53,852,100</u>	<u>58,990,000</u>	<u>12,442,800</u>	<u>16,512,160</u>	<u>465,620</u>	<u>142,262,680</u>
DEPRECIATION						
Balance as at 1 January 2011	-	22,369,590	3,014,636	3,255,809	167,832	28,807,867
Charge for the period	-	9,258,363	1,178,520	1,657,045	59,558	12,153,485
Balance as at 31 December 2011	<u>-</u>	<u>31,627,953</u>	<u>4,193,156</u>	<u>4,912,854</u>	<u>227,390</u>	<u>40,961,352</u>
NET BOOK VALUE						
As at December 2011	<u>53,852,100</u>	<u>27,362,047</u>	<u>8,249,644</u>	<u>11,599,306</u>	<u>238,230</u>	<u>101,301,328</u>
As at December 2010	<u>53,852,100</u>	<u>17,620,410</u>	<u>8,249,643</u>	<u>11,599,307</u>	<u>238,230</u>	<u>91,559,690</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT
31 DECEMBER 2011 (Continued)

	2011 TSHS	2010 TSHS
4 Advance and Prepayments		
Prepayments - Electricity	-	-
Advance to staff	-	1,200,000
	<u>-</u>	<u>1,200,000</u>
5 Bank and Cash Balance		
Barclays Bank street children Tshs	39,459	50,083
Barclays Bank street children USD @1550	131,750	5,247
Barclays (T) Ltd Tshs	-	-
Barclays (T) Ltd USD	-	4,670,201
Office cash at hand	1,080,000	328,338
	<u>1,251,209</u>	<u>5,053,869</u>
6 CREDITORS AND ACCRUALS		
Audit Fees	1,550,000	500,000
RITA Registration fee	-	-
Captain car wash	-	-
Intelligence Securico Ltd	900,000	1,675,000
Consultation fee	3,100,000	-
Clock tower service station	-	-
Architectual fees	-	-
NSSF Contribution	1,481,590	1,481,590
	<u>7,031,590</u>	<u>3,656,590</u>

**NOTES TO FINANCIAL STATEMENTS AS AT
31 DECEMBER 2011
(Continued)**

	2011 TSHS	2010 TSHS
7 Capital Fund		
Balance at 1 January 2011	91,559,690	62,846,933
Opening balance adjusted	(31,844,009)	
Addition for the year	19,000,000	37,484,350
Less: Depreciation	<u>12,153,485</u>	<u>(8,771,593)</u>
Balance as at 31st December 2011	<u>90,869,166</u>	<u>91,559,690</u>
8 Reserved Fund		
Balance brought forward	2,597,279	19,061,696
Add: Surplus for the year	<u>21,054,502</u>	<u>21,019,933</u>
	23,651,781	40,081,629
Less: Capital expenditure	<u>(19,000,000)</u>	<u>(37,484,350)</u>
	<u>4,651,781</u>	<u>2,597,279</u>
9 Staff Costs		
Salaries	20,156,340	-
Cordaid	19,600,000	18,150,000
Rafiki	2,010,000	1,230,000
Office	15,642,400	14,815,900
NSSF Contribution	<u>1,481,590</u>	<u>1,481,590</u>
	58,890,330	35,677,490
Allowance		
Staff allowance	-	2,546,500
Staff welfare & medical	<u>1,809,000</u>	<u>2,903,000</u>
Staff costs total	<u>60,699,330</u>	<u>41,126,990</u>

**NOTES TO FINANCIAL STATEMENTS AS AT
31 DECEMBER 2011
(Continued)**

	2011 TSHS	2010 TSHS
10 Administration costs		
Repair & maintenance	2,950,600	8,786,100
Consultancy & Audit fee	4,650,000	7,821,300
Utilities & Accessories	1,450,876	3,026,750
Printing & Stationary	3,120,240	6,920,850
Fuel & Transportation	9,489,244	14,092,900
Security expenses	1,800,000	2,500,000
Internet and Communication	1,050,500	2,116,080
Meals, refreshment & Entertainment	690,000	3,112,150
Travel & Accommodation	289,988	897,000
Rent	4,000,000	2,318,500
Insurance & Licence	4,280,000	2,031,200
Bank charges	1,749,075	1,739,069
Total	<u>35,520,523</u>	<u>55,361,899</u>