Equality for Growth (EfG)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

April 2021

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ORGANISATION INFORMATION

REGISTERED OFFICE	National Housing Corporation Temeke Regional Office Plot no. 322 Mandela Road, Opposite to National Stadium P. O. Box 79329 Dar es Salaam
AUDITORS	Thornflex 5th floor Ngome House Sinza, Africana P. Box 70855 Dar es Salaam
PRINCIPAL BANKERS	CRDB Bank Plc Lumumba branch Dar es Salaam

1. INTRODUCTION

The Board of Directors of the Equality for Growth (EfG) has the pleasure to present their Annual Report and Financial Statements for the year ended 31 December 2020, which disclose the affairs of EfG for the year then ended. This Report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No.1 issued by the National Board of Accountants and Auditors (NBAA).

2. INTRODUCTION

The Board of Directors of the Equality for Growth (EfG) has the pleasure to present their Annual Report and Financial Statements for the year ended 31 December 2020, which disclose the affairs of EfG for the year then ended. This Report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No.1 issued by the National Board of Accountants and Auditors (NBAA).

3. BACKGROUND OF THE ORGANIZATION

Equality for Growth (EfG) is a Tanzania national charitable organization set up to benefit women working in informal sector national wide. EfG was initially established as a Working Group in February 2008. As of 6 August 2008, was formally registered as a company limited by guarantee and not having share capital with Registration Number 66935.It was later registered as a Non-Government Organization (NGO) and was given Certificate of Compliance No. 00001544 issued on 11th December 2013. The NGO Charitable Status Certificate was given by the Commissioner General of Tanzania Revenue Authority in 2019.

4. VISION

EfG envision vibrant and economically empowered informal sector women. The Organization believe working spaces can be liberated from gender, legal and economic barriers and informal sector women can operate in the absence of all forms of exploitation.

5. MISSION

EfG empower Tanzania's informal sector women to increase their income and reduce household poverty through access to legal and human rights education, business opportunities, capacity building and active engagement in policy and practice reforms.

6. KEY VALUES OF THE ORGANIZATION

The key values of EfG as stated in its current strategic plan (2019-2022) are:

Impartiality

We believe everyone has the right to be treated equality, with at-most respect and honor regardless of distinguishing characteristics.

Transparency

We value openness in our engagements alongside the management of resource entrusted to us and aim to lead by example.

Innovative

We foster creativity and spur progress and change.

Authoritative

We uphold credibility and are kin to promote learning and nature novel ideas.

Professionalism

We foster punctuality, authenticity, quality, and professional ethics.

7. OBJECTIVES OF THE ORGANIZATION

Organisational objectives, strategic aims, and theory of change:
EfG is guided by six (6) main objectives as reflected in our Constitution, these are,

i. To facilitate processes that ensure women and men have equal access to ownership, management and utilization of land and other productive resources for enhanced livelihood.
ii. To influence and facilitate socio-economic policies and practices that promotes equal gender relations for inclusive and sustainable development.
iii. To enable informal sector women to access justice through provision of legal aid services.
iv. To raise awareness to the public on the rights of informal sector actors.
v. To encourage and support vulnerable and marginalized women in establishing groups/networks and empower them with entrepreneurship skills.
vi. To conduct research that will inform our policy engagements, advocacy, and organizational development.

8. STRATEGIC AIMS AND TARGET POPULATION

Towards the end of 2022 we aim to have made substantive impact in four (4) key dimensions. Firstly, influence policy and institutional frameworks that govern the informal sector, those targeting businesswomen in the informal sector. Secondly, increase awareness, protection and effective enforcement of gender and other socio-economic right of the informal sector actors. And increase the number of women in leadership positions locally (in working spaces and local governments) and nationally. Thirdly, empower informal sector women with business development education and access to business opportunities. Lastly, improve the performance and sustainability of EfG.

To achieve these aims, we will focus on scaling-up our Voices for Visibility model beyond the markets so we can be able to reach vendors (especially street vendors), home-based workers, unpaid workers and women employed in the formal sector, but their employment resembles that of informal sector women. Equally, we will amplify our economic empowerment interventions as well as vertical and horizontal policy engagements. All our engagements will be lead and informed by research and case studies across various regions of Tanzania mainland.

Our operations mainly target informal sector women in Tanzania. However, to reach our goal and attain sustained progress we have categorized our target population into two main clusters, primary and secondary target population. Equally, we will work with numerous stakeholders in the execution of our activities as identified below:

9. PRINCIPAL ACTIVITIES

Equality for Growth (EfG) has been set up to empower Tanzania's informal sector women to increase their income and reduce household poverty through access to legal and human rights education, business opportunities, capacity building, and active engagement in policy and practice reforms. The following are specific activities, which have been implemented during the financial year 2020:

i. During the current year, EfG managed to increase knowledge and the responsiveness of municipal officials in responding to women market trader's issues. This was achieved through feedback meetings, dialogue sessions that were conducted that involved LGA officials. LGA officials are now responsive to combat GBV happening in marketplaces since they have the knowledge and information of the incidences happening in marketplaces. This leads the Ministry to propose signing a Memorandum of Understanding (MoU) with EfG on key areas for possible engagement. A total of 341 (144 female 197 male) officials from different Ministries, Municipal officials, Community

Development officers, and market Committee members have improved knowledge on GBV incidents happening in marketplaces.

ii. Legal and Sexual Gender-Based Violence awareness was conducted in markets aiming to increase awareness of S/GBV and its' negative impact. Support for women traders and survivors of GBV offered by market officials has increased. Market leaders are taking quick and immediate actions against perpetrators and violators of women's rights. A total of 29,639 market traders (17,885 female and 11,784 male) attended the campaigns from January to December 2020.

iii. Capacity building sessions were conducted for paralegals, LCS and women leaders. A total of 165 knowledgeable and skilled Paralegals and Legal community supporters are continuing to raise awareness among market traders and the community at large on GBV, legal and human rights issues. They are continuing to provide legal aid assistance to GBV victims and survivors and referring link clients as appropriate. From January to December 2020, a total of 659 (399 female 260 male) clients benefited from the legal aid services provided in Dar es Salaam, Shinyanga, Mbeya and Lushoto markets.

iv. During this financial year, a total of 21 women leaders' representatives from Dar es Salaam, Mbeya and Shinyanga regions were trained on the use of digital technology in data collection and reporting of GBV incidences happening in market areas. Among the trained modules were Gender Sensitivity and Digitalization perspective, Data Management system, Overview of KoBocollect and its features. Women leaders have acquired knowledge on the use of digitalized technology in data collection and reporting of the GBV cases hence increased their capacity on handling GBV incidences when occur.

v. EfG has continued to strengthen women association by providing technical support to Women market traders' members in 9 regions as this is a platform for raising concerns and voices of women on various issues that affects them. EfG in collaboration with the CDOs, indifferent wards conducted a campaign on awareness to increase membership in associations where a total of 10,547 new members in 35 markets joined market associations in the six regions of Dar es Salaam, Mbeya, Iringa, Mtwara, Lindi and Tanga-Lushoto.

vi. EfG is working to build its' internal capacity on business development including sharing of business and market opportunities for women. A total of 1045 women market traders in Dar es Salaam, Shinyanga and Mbeya markets received information on 10% LGA empowerment fund and ways to access it, production of liquid soap, food processing and nutrition and record keeping.

vii. A total of 359 (281 female 78 male) benefited from the legal aid services provided by legal officers as well as the paralegals who are in the market areas from January to December 2020. Among the 359 reported cases, 228 cases were resolved and 67 referred to different authorities such as 33 cases social welfare, 12 police, 7 court, 15 market committees while the remained 64 cases are in progress.

viii. During this financial year, a total of 68 complaints were raised by 83 women market traders against the market leadership in Dar es Salaam, Mbeya and Shinyanga markets. Out of these complaints, 15 were on poor infrastructure including lack of space to undertake business, 8 on leadership issues including poor working environment regardless of the amount of tax paid by traders and 45 on GBV issues including abusive language, economic violence, and sexual harassment.

ix. EfG conducted awareness for value additions and digital marketing to selected women traders. Some women have improved their business practices by using social media such as WhatsApp, Facebook, and Instagram to showcase their businesses. Two women traders (Eva Kakobe from Mchikichini and Consolata Cleopas of Ilala markets) have advertised their cloth businesses through WhatsApp and Facebook and other 2 women who are food vendors (Jane Nyanda from Ilala and Halima Maulid Sanga from Temeke markets) have increased customers using social media namely WhatsApp. Few women engaged in tie and dye clothes indicated change in their businesses as they have accessed customers from cross borders countries such as Comoro, Rwanda, Uganda, and Kenya.

x. During the reporting period, a total of 65 VICOBA groups with 895 active members from nine regions have managed to accumulate a total capital of TZS. 722,120,000/-. Before the outbreak of COVID-19, the existing VICOBA groups supported by EfG had facilitated 29% of its members to obtain cheaper loans through their groups which enabled them to improve and expand businesses. Women-owned VICOBA groups have become more preferred by market traders since it has lower interest and friendly procedures compared to banks and SACCOS.

xi. During this financial year, EfG managed to conduct training and offered other business technical support to 400 women market traders on various skills. For instance, 120 women from Temeke, Gongo la Mboto, and Kigogo Fresh were trained on value addition. 110 women market traders received knowledge on business expansion and diversity. 25 market traders from Feri market received training on food and nutrition; 25 market traders from Ilala market received training on the production of liquid soap and at the Kisutu market around 20 women traders received training on business education and bookkeeping.

xii. EfG in this financial year worked to Support women to influence positive laws and policies that promote women's businesses and improve their income. In collaboration with National Electoral Committee (NEC), EfG Supported 360 women champions to participate in October 2020 election as a voter education provider in 9 regions in Tanzania which includes Dar es Salaam (Ilala and Temeke), Lushoto, Mbeya City, Mwanza, Shinyanga, Lindi, Mtwara, Mara and Iringa. A total of 60,923 (32,627 female 28,296 male) benefitted from the awareness session provided. The slogan for the voter education training was "PIGA KURA BOMBA," designed to encourage market traders to make their votes count.

xiii. Following the outbreak of the COVID-19 EfG conducted analysis of the impact of COVID -19 on the women market traders in four regions of Dar es Salaam, Mbeya, Lushoto, and Mwanza. The main objective of the analysis was to assess the overall achievement of BoT directive/stimulus package in providing relief to both Banks and MFI including SMEs and Business ventures owned by women.

xiv. EfG in collaboration with Community Development Officers from Ilala and Temeke municipals conducted awareness sessions on the 10% empowerment fund offered by the LGAs in 15 markets of Dar es Salaam. A total of 15 women market traders' associations with a total of 1,500 members were reached during the awareness. This was done through visits that were conducted to women market associations where the CDOs shared proper information on the availability and accessibility of the fund including procedures required to apply for the loan. During the current year, a total of Tzs. 14,000/- were given to 2 women groups from Dar es Salaam.

xv. During COVID-19 pandemic, the organization was not in a position of reaching our beneficiaries and partners through normal routine activities that are day to day monitoring visits and physical capacity building sessions. Hence, the organization came up with an innovative way of continuing to engage women informal sector traders through collecting live stories from women traders themselves on the impact of COVID-19 on their businesses and the innovative ways used to revamp their economic status during the pandemic. The series of stories was named '*Vitendawilivyacorona: Simulizizawanawakesokoni*'.

xvi. In this financial year, EfG has managed to use social media platforms to communicate organization works on enhancing gender equality in informal sector areas and addressing Sexual/Gender-based violence to women market traders. In Social media Pages, the organization has opened up a new Facebook page, Twitter and Youtube Channel which are now posting communication contents like updates of different ongoing events, activities and programs implemented by EfG including the movements against Sexual/GBV.

xvii. EfG was able to reach 15 women informal sector traders from Dar es Salaam, Mbeya and Dodoma regions. EfG managed to post on Instagram pages, facebook and Youtube in which our documentaries managed to raise the voices of the women market during this pandemic. The messages were disseminated to reach more than 5,000,000/= viewers until December 2020

xviii. EfG will continue providing support to women groups in Dar es Salaam, Mbeya and other regions of Tanzania, aiming at building unity among women in the informal sector. Women in the informal sector need to be supported to actively engage in policy matters that impact them. EfG is exploring for more opportunities to engage further in the macro level opportunities.

10. FINANCIAL POSITION

a) Property and equipment

The carrying value of the Organization's property and equipment as of 31st December, 2020 was TZS 27,091,779. As of 31 December, 2019, this value was TZS 29,496,623. The change is attributable to depreciation charged for the year 2020 and acquired addition office computer.

b) Staff working advances

There was staff working advance balance of TZS 6,644,000 during the year under review, (2019: Nil).

c) Partners' receivables

There was no carrying value of the Organization's Partners receivable as of December 31, 2020 (2019: TZS 2,157,104).

d) Prepayments

Sundry prepayments as of December 31, 2020 increased by TZS 6,696,648 to TZS 11,082,759 (2019: TZS 4,386,111). The amount was for deposits advanced to landlord (NHC) for office rent and to Camel Oil Tanzania Limited for vehicle fuel.

e) Cash and cash equivalents

Cash and cash equivalents stood at TZS 6,659,286 (2019: TZS 29,739,131). This decrease was due to implementation of the projects during the year. Analysis of cash is detailed in Note 7 and supported by the Statement of Cashflows.

f) Deferred revenue grant

Deferred revenue grants as of December 31, 2020 decreased to TZS 26,978,916 (2019: TZS 41,529,438.9). This figure comprises of the deferred revenue grant balance of TZS 19,904,084 which represents contractual programming and administrative commitments to be implemented in the financial year 2021, while the deferred revenue grant balance of TZS 46,883,000 represents program management fee receivable from Twaweza.

g) Creditors and accruals

Trade payables and accruals decreased by TZS 21,263,802 and stood at TZS 19,985,572 (2019: TZS 41,249,375). The decrease was due to payment of accrued liabilities arising from unpaid salaries and other payroll deductions which were remitted to relevant authorities during the financial year 2020.

FINANCIAL PERFORMANCE FOR THE YEAR

a) Grants

Release of deferred revenue grants to income decreased by 12%, which is TZS 110,459,432 to TZS 844,516,612 compared to the previous year. This involves actual expenditure incurred in the implementation of projects funded by five different donors. This is also elaborated in Note 11 to the Financial Statements on pages 21 to 35.

b) Other income

There was a decrease of other income to TZS 5,180,084 compared to the previous year (2019) which recorded TZS 15,960,750. This decrease of 68% was due to limited local fund-raising activities during the year.

c) Programme activities costs

There was a slight decrease in programme activities costs of TZS 37,433,325 (7%) from previous financial year. The changes are a result of insignificant cost variation between new programs commenced during the year with faced out programs completed at the end of previous financial year.

d) Personnel costs

Personnel costs decreased by 21% to TZS 264,454,028 during the year under review (2019: TZS 335,892,304). This was due to renegotiation of staff salary deduction with five staff and expiration of employment contract of one staff in September 2020.

e) Office administrative costs

Administrative costs for the current year (TZS 71,684,288) went down by 26% compared to the previous year (2019: TZS 97,149,040). This was caused by shortage of funding during the year as a result of completion of a two years' program agreement (AcT2) funded by DFID. This program contributed substantially to the organization budget.

11. OWNERSHIP/SHAREHOLDING

EfG is a registered Non-Governmental Organization under Act No 24 of 2002 and hence not having any share capital.

12. CORPORATE GOVERNANCE

EfG is governed by the Board of Directors. The Board of Directors is composed of seven members who serves at their individual capacities and provide the policy directives and guide the implementation of strategies of the programs. The Board of Directors sits quarterly to discuss and decide issues relating to the organization. It takes overall responsibility for the EfG affairs, including responsibility for identifying key risk areas, considering, and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management plans and budgets.

The Annual General Meeting (AGM) is responsible for ensuring that a comprehensive system of internal control, policies and procedures is operative and that sound corporate governance principles are complied with. It has delegated its responsibilities to the Board of Directors who are responsible for overall governance. Therefore, decisions by AGM are based on recommendations of the Board of Directors. During the financial year ended December 31, 2020, the 7th AGM was held 5thSeptember 2020.

The Board of Directors delegates the day-to-day operational activities of the EfG to the Executive Director who is assisted by the management team.

Composition of Board of Directors

The Directors of EfG at the date of this report and who have served since 2008, except where otherwise stated, are:

S/No.	Name	Position	Age	Gender	Qualification	Appointment date
1	PeninaReveta	Chairperson	49	Female	MSc. in Community Economic Development Specialist in Community Dev, Monitoring, Evaluation & Learning.	2012
2	MbuthoChibwaye	Member	44	Male	BSc. Computer Science, MBA International Business	2008
3	RaziahMwawanga	Member	52	Female	MSc. Development Policy and Practice for CSO's Specialist in Gender, Media, Grant Management, Advocacy & Lobbying and Project Management.	2008
4	Grace Evod	Member	50	Female	Post Graduate Diploma in Scientific Computing (UDSM), Advanced Diploma in Computer Science (IFM)	2008
5	Emmanuel Tuju	Member	51	Male	BSc. Education (UDSM), Advanced Diploma in Child Youth and Development (Institute of Social Studies) The Hague, Netherland.	2008
6	Frank Rweyemamu	Member	39	Male	CPA (T), Adv, Diploma in Banking & Finance (IFM)	2018
7	Jane Magigita	Secretary	49	Female	Lawyer - LLM, LLB, MSc. in Community Economic Development	2008

The Secretary to the Board of Directors as at 31 December 2020 was Jane Magigita (EfG Executive Director).

Board meetings

The Board of Directors is required to meet four times a year, i.e., once in every quarter, hold one Annual General Meeting for Shareholders and Extra Ordinary Meetings when required or once when an urgent matter arises.

During the year ended 31 December 2020, the Board held four ordinary meetings and one extra ordinary, among other things, to receive and discuss organizational performance.

Attendance of board meetings

The attendance at Board Meetings by the Directors in 2020 is tabulated below:

S/No.	Name	Position	Ordinary Meetings	Extra-ordinary Meeting
1	PeninaReveta	Chairperson	4	1
2	MbuthoChibwaye	Member	-	-
3	RaziahMwawanga	Member	4	1
4	Grace Evod	Member	4	1
5	Emmanuel Tuju	Member	4	1
6	Frank Rweyemamu	Member	4	1
7	Jane Magigita	Secretary	4	1

13. MANAGEMENT

Executive director oversees day-to-day management of the organization. During the year the organization management was as follows

Name	Position
Jane Magigita	Executive Director
Susan Sitta	Senior Project Officer
AnicetNdilanha	Head of Finance and Admin
EvahBuhembo	Administration Officer
MaguhwaBuluma	Finance Officer

14. GRANTS AND RESERVES

As of year-end, all grants and reserves were restricted and only available exclusively and wholly for the financing of planned activities of EfG.

15. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions and balances are shown in Note 15 to the financial statements as in accordance with IAS 24.

16. EMPLOYEES' WELFARE

EfG is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion, nationality, and disability which does not impair ability to discharge duties.

a) Management – employees' relationship

The average number of employees during the period was nine (9) of which three were volunteers (2019: 14). The relationship between the employees and management was good. There were no unresolved complaints.

b) Medical assistance

Currently, EfG does not provide any medical assistance to the employees as there are no donors who have availed medical benefits.

c) Training

The organization offered only in house training to staff and volunteers during the year under review hence non-monetary costs incurred (2019: TZS 11,181,300).

d) Persons with disability

The recruitment policy does not discriminate against persons with disabilities, rather the ability to discharge their responsibility.

e) Employee benefit plan

EfG pays contributions to publicly administered Social Security Funds on mandatory basis for locally recruited staff which qualifies to be a defined contribution plan. The Organization contributes to Social Security Funds 10% of monthly basic salary and each staff contributes 10% of his/her basic pay every month.

f) Workers' compensation fund

The Organization pays monthly contributions of 1% of the total basic salary to the Fund on a mandatory basis.

g) Financial assistance to staff

EfG provides short term salary advances to its staff that are payable within six months.

h) Gender balance

EfG has no gender bias. Men and women are equally eligible for holding any office of the EfG if they possess the required qualifications and proven competence. As at 31 December 2020, the Organization had the following distribution of employees by gender.

Gender	**2020**	**2019**
Male	4	7
Female	5	7
TOTAL	**9**	**14**

17. ENVIRONMENTAL CONSERVATION AND CONTROL

EfG has a culture of conserving the environment by protecting the environment surrounding its office buildings.EfG monitors the impact of its operations on the environment, which is mainly using power, water, and the generation of waste. It minimizes its impact through the better use of its premises and inbuilt facilities to ensure that there is proper waste management.

18. RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors is responsible for the Organization's system of the risk management and internal controls. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative for compliance with sound corporate governance principles on an ongoing basis to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations
- The safeguarding of the company's assets
- Compliance with applicable laws and regulations
- The reliability of accounting records
- Responsible behaviors towards all stakeholders.

EfG maintains a risk management policy which is included in the organization's governance policy and a risk register has been operationalized. The Board meets quarterly to examine and review annually the major strategic, business and operation risks which organization faces and confirm that systems have been established so that the risks may be effectively monitored, and their impact mitigated as far as possible.

19. ACCOUNTING POLICIES

A summary of key accounting policies is contained in Note 2 to the financial statements and were consistently applied during the year under review.

20. FIDUCIARY RESPONSIBILITY

Members of the Board as stewards of public trust always acted for the good of the Organization rather than for the benefit of themselves throughout the period. Reasonable care was exercised in all decisions taken by the Organization without placing it under unnecessary risks.

21. PREJUDICIAL ISSUES

In the opinion of the Board of Directors, there are no serious unfavourable matters that can affect the organization.

22. FUTURE DEVELOPMENT PLANS

The future development plans of the Organization are centred on improved service quality to the community and increased community outreach. EfG's future development plans are as follows:

- Scale-up: Building partnerships and sharing lessons learned, training tools, resources, and expertise with like-minded CSOs across the country.
- Strengthening both macro and micro level capacity of women traders to engage and advocate for their rights and raise their issues to local, municipals and national authorities.
- Ensure economic empowerment opportunities are continued and expanded to facilitate the ability of women to organize themselves and advocate for change.
- Explore further opportunities for rural and urban women to engage in higher skilled, higher earning, innovative businesses in the supply chain through value addition.
- Build a woman led market as a learning center for market businesses best practices.
- Strengthen Lushoto initiative and office to gather lessons learned and create a model of success for rural areas.
- Strengthen EfG's internal capacity to ensure the organization is able to provide expertise on trade and business and resources that are necessary to support economic growth.

23. POLITICAL AND CHARITABLE DONATIONS

EfG did not make any donation during the year under review.

24. RELATIONSHIP WITH STAKEHOLDERS

The Organization continued to maintain good relationships with all stakeholders including regulators.

25. EVENTS AFTER REPORTING PERIOD

There are no material events, adjusting or non-adjusting, which have occurred between the reporting date and the date when financial statements are authorized for issue.

26. INDEPENDENT AUDITORS

M/s ThornFlex Certified Public Accountants were appointed by the Board of Directors and confirmed by EfG Annual General Meeting (AGM) to carry out the audit of the EfG for the year ended 31 December 2020. The Auditors have expressed willingness to continue in office.

By order of the board

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Penina Reveta
Board Chairperson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The NGO Act 2006 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 its profit or loss and other comprehensive income. 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. They are also responsible for safeguarding the assets of the Organization.

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing, and maintaining internal controls 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.

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 NGO Act 2006. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of EfG 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.

Approved by the board of directors

Penina Reveta
Chairperson

Jane Magigita
Executive Director

Date: 14 | 04 | **2021**

ACCOUNTANT DECLARATION ON FINANCIAL STATEMENTS

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 Finance/Accounting professional 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 showing true and fair view of the entity financial position and performance in accordance with applicable International Financial Reporting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors of Equality for Growth as indicated under the statement of directors' responsibilities on an earlier page.

I, **CPA Maguhwa Buluma Maguhwa** being the Finance Officer of Equality for Growth (EfG) responsible for the preparation of financial statements hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 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 of the financial position of Equality for Growth (EfG) as on that date, its results of operations and cash flows for the year then ended and that they have been prepared based on properly maintained financial records.

Signed by: ....

Position: **Finance Officer**

NBAA Membership No: **GA 5082**

Date: 14.04.2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annual financial statements of Equality for Growth (EfG), which comprises the Statement of financial position as at 31 December 2020, Statement of Income and Expenditure, Statement of Changes in Grants and Accumulated Funds and Statement of Cash flows for the year then ended. A summary of significant accounting policies and other explanatory notes set out on pages 17 to 35. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, the annual financial statements give a true and fair view of the financial position of Equality for Growth as at 31 December 2020, and the results of its operations and cash flows for the year then ended, in accordance with International Financial Accounting Standards.

Basis of our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of Equality for Growth in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, could have been of most significance in our audit of the financial statements of the year under review. Such matters could be addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we would not provide a separate opinion on these matters.

Other information

Other information consists of the information included in the Report of the Board of Directors, Statement of Directors' Responsibilities and Declaration of the Head of Finance. Other than the financial statements and our auditor's report thereon, the Directors are responsible for the other information. 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 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 management and those charged with governance for the financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal controls as management determines 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, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 skepticism throughout the audit. We are 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 Foundation's internal control.

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

- Conclude on the appropriateness of management's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Foundation 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 fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Organization audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance 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

This report, including the opinion, has been prepared for, and only for, the Equality for Growth and for no other purposes.

We report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- In our opinion, proper books of account have been kept by the Organization, so far as it appears from examination of those books.
- The Directors' Report is consistent with the financial statements.
- The Organization's financial statements agree with the books of account.

THORNFLEX
Certified Public Accountants

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Signed by: Ramadhani Omari, ACPA-PP
Dar es Salaam
15/04/2021

STATEMENT OF COMPREHENSIVE INCOME

	Note	2020 TZS	2019 TZS
Income			
Release of deferred grant	3	844,516,612	954,976,044
Other income	4	5,180,084	15,960,750
		849,696,696	**970,936,794**
Expenditure			
Programme activities cost	5	528,262,524	565,695,849
Personnel cost	6	264,454,028	335,892,304
Administrative cost	7	77,089,132	104,760,271
		869,805,684	**1,006,348,424**
Deficit before tax		**(20,108,988)**	**(35,411,630)**
Income tax expense		-	-
Net deficit after tax		**(20,108,988)**	**(35,411,630)**

Penina.

Penina Reveta
Chairperson

Jane Magigita
Executive Director

Notes and related statements forming part of these financial statements appear on pages 21 to 35

STATEMENT OF FINANCIAL POSITION

Assets	**Note**	**2020 TZS**	**2019 TZS**
Non-current assets			
Property and equipment	8	27,091,779	29,496,623
Current assets			
Receivables	9	64,609,759	6,543,216
Cash and bank balances	10	6,659,286	29,739,131
		71,269,045	**36,282,347**
Total assets		**98,360,824**	**65,778,970**
Equity			
Accumulated fund		58,471,168	(16,999,844)
Deferred Revenue Grants	11	19,904,084	41,529,440
		78,375,252	**24,529,596**
Current liabilities			
Payables and Accruals	12	19,985,572	41,249,374
Total liabilities and equity		**98,360,824**	**65,778,970**

The financial statements on page 17 to 35 were approved by the board on 14/04/2021 and signed on its behalf by:

Penina Reveta
Chairperson

Jane Magigita
Executive Director

Notes and related statements forming part of these financial statements appear on pages 21 to 35

Report of the Auditors – pages14-16

STATEMENT OF CHANGES IN ACCUMULATED FUND

Year ended 31 December 2020	**Accumulated Fund**
	TZS
At start of year	(16,999,845)
Member fund raised (note 13)	95,580,001
Restated balance	78,580,156
Deficit for the year	(20,108,988)
At end of year	**58,471,168**
Year ended 31 December 2019	
At start of year	28,303,284
Prior year adjustment	(9,891,499)
As restated	18,411,785
Deficit for the year	(35,411,630)
At end of year	**(16,999,845)**

Penina Reveta
Chairperson

Jane Magigita
Executive Director

Notes and related statements forming part of these financial statements appear on pages 21 to 35

Report of the Auditors – pages14-16

STATEMENT OF CASH FLOWS

	Note	2020 TZS	2019 TZS
Cash flow from operating activities:			
Deficit for the period		(20,108,988)	(35,411,630)
Adjustments for depreciation as non-cash items		5,404,843	7,611,232
Released grants (revenue and capital)	12	(848,309,922)	(954,976,044)
		(863,014,066)	**(982,776,442)**
Changes in working capital:			
Increase in debtors and prepayments		(58,066,543)	9,031,925
Increase in creditors		(21,263,802)	18,047,298
Net cash flows used in operating activities		**(79,330,346)**	**27,079,223**
Net cash flow from operating activities		**(942,344,412)**	**(955,697,219)**
Cash flows from investing activities:			
Purchase of property and equipment		(1,500,000)	(3,250,002)
Net cash utilized in investing activities		**(1,500,000)**	**(3,250,002)**
Cash flows from financing activities			
Revenue grants received		828,203,175	813,252,555
Amount returned to donor		(1,518,607)	(2,501,392)
Amount received from members		94,079,999	-
Net cash flows from financing activities		**920,764,567**	**810,751,163**
Net increase/(decrease) in cash and cash equivalents		(23,079,845)	(148,196,058)
Cash and cash equivalents at start of year		29,739,131	177,935,189
Cash and cash equivalents at end of year		**6,659,286**	**29,739,131**

Penina.

Penina Reveta
Chairperson

Jane Magigita
Executive Director

Notes and related statements forming part of these financial statements appear on pages 21 to 35

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Statement of compliance

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

1.2 Basis of preparation

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the EfG's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

1.3 Improvement to IFRSs

(i) New and revised IFRSs mandatorily effective at the end of the reporting period with no material effect on the reported amounts and disclosures in the current or prior year

The following new or revised IFRSs were mandatorily effective and adopted by EfG as at the end of the reporting period but did not have a material effect on the current or previously reported financial performance or financial position.

Name of standard	Changes made to the standard
IAS 1 Disclosure Initiative – Amendments to IAS 1	**Key requirements** The amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify: • The materiality requirements in IAS 1 • That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated • That entities have flexibility as to the order in which they present the notes to financial statements • That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. **Impact** These amendments are intended to assist entities in applying judgement when meeting the presentation and disclosure requirements in IFRS, and do not affect recognition and measurement. Although these amendments clarify existing requirements of IAS 1, the clarifications may facilitate enhanced disclosure effectiveness.

Name of standard	Changes made to the standard
IFRS 15 Revenue from Contracts with Customers	**Key requirements** IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as IAS 17. Its requirements also provide a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets, including property, equipment, and intangible assets. Effective for annual periods beginning on or after 1 January 2018. **Impact** IFRS 15 is more prescriptive than the current IFRS requirements for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive. The standard will affect entities across all industries. Adoption will be a significant undertaking for most entities with potential changes to their current accounting, systems, and processes.
IFRS 9 Financial Instruments	**Key requirements** *Classification and measurement of financial assets* All financial assets are measured at fair value on initial recognition, adjusted for transaction costs, if the instrument is not accounted for at fair value through profit or loss (FVTPL). *Classification and measurement of financial liabilities* For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. Impairment The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortized cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 and lease receivables under IAS 17 Leases. Hedge accounting

Name of standard	Changes made to the standard
	Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, will often be qualitative. Impact The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and the business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4	**Key requirements** The amendments address concerns arising from Implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts standard that the Board is developing to replace IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. *Temporary exemption from IFRS 9* The optional temporary exemption from IFRS 9 is available to entities whose activities are predominantly connected with insurance. The temporary exemption permits such entities to continue to apply IAS *39 Financial Instruments: Recognition and Measurement* while they defer the application of IFRS 9 until 1 January 2021 at the latest. Predominance must be initially assessed at the annual reporting date that immediately precedes 1 April 2016 and before IFRS 9 is implemented. Also, the evaluation of predominance can only be reassessed in rare cases. Entities applying the temporary exemption will be required to make additional disclosures. *The overlay approaches* The overlay approach is an option for entities that adopt IFRS 9 and issue insurance contracts, to adjust profit or loss for eligible financial assets; effectively resulting in IAS 39 accounting for those designated financial assets. The adjustment eliminates accounting volatility that may arise from applying IFRS 9 without the new insurance contracts standard. Under this approach, an entity is permitted to reclassify amounts between profit or loss and other comprehensive income (OCI) for designated financial assets. An entity must present a separate line item for the overlay adjustment in profit or loss, as well as a separate line item for the corresponding adjustment in OCI. **Transition** The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018. An entity may elect the overlay approach when it first applies IFRS 9 and apply that approach retrospectively to financial assets designated on

Name of standard	Changes made to the standard
	transition to IFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying IFRS 9. Impact The overlay approach requires an entity to remove from profit or loss additional volatility that may arise if IFRS 9 is applied with IFRS 4. When applying the temporary exemption, entities must still provide extensive disclosure that requires the application of some aspects of IFRS 9.
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	**Key requirements** The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. **Transition** Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after: (i) The beginning of the reporting period in which the entity first applies the interpretation, Or (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. Early application of interpretation is permitted and must be disclosed. First-time adopters of IFRS are also permitted to apply the interpretation prospectively to all assets, expenses and income initially recognized on or after the date of transition to IFRS. **Impact** The amendments are intended to eliminate diversity in practice, when recognizing the related asset, expense or income (or part of it) on the de-recognition of a nonmonetary asset or non-monetary liability relating to advance consideration received or paid in foreign currency.

(ii) Standards and interpretations in issue but not yet effective

At the reporting date, the following new and/or revised accounting standards and interpretations were in issue but not yet effective and therefore have not been applied in these financial statements. EfG has not yet assessed the impact of these changes on their financial statements when they become effective:

1.4 Property and equipment

The EfG accounting policy to an entire class of property and equipment is as follows:

(i) Recognition

Property and equipment are initially recorded at cost. Cost comprises of the expenditure that is directly attributable to the acquisition (purchase or construction) of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the EfG and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

(ii) Measurement after recognition

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

(iii) Depreciation

Property and equipment of the EfG are stated at cost less accumulated depreciation and accumulated impairment loses. Replacement or major repair costs are capitalized when incurred and if it is probable that future benefits associated to with the item will flow to the organization and the cost of the item can be measured reliably.

Depreciation is calculated on a straight-line method so as to allocate the cost to their residual values over their estimated useful lives from the time the asset is brought into use to the time of its de-recognition as follows:

Category of non-current asset	Useful lives
Office equipment	4 years
Furniture and fittings	4 years
Computers	4 years
Motor vehicles	5 years

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. An item of property and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is de-recognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.5 Intangible assets

Where computer software is not an integral part of the related item of computer equipment hardware, the software is capitalized as intangible assets. Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring them to use. Capitalized computer software, license and development costs are amortized over their useful economic lives estimated to be 3 years.

1.6 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in the functional currency, Tanzania Shillings (TZS), rounded to the nearest shilling, and prepared under the historical cost convention except for assets and liabilities held for trading, financial instruments designated at fair value through profit or loss; liabilities for cash-settled share-based payment arrangements and available-for-sale financial assets that are measured at fair value

b) Foreign currency transactions and balances

Foreign currency transactions are dealt with in line with the International Accounting Standards (IAS 21). Transactions in foreign denominated currency for expenses and receipts were translated into local currency based on actual rates of exchange at the time of the transactions. Foreign Currency monetary balances (assets and liabilities) translated and reported using the exchange rate of 31 December 2019.

1.7 Fair value measurement

The EfG measures financial instruments, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the EfG. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The EfG uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the EfG determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

1.8 Financial instruments

A financial asset or liability is recognized when the EfG becomes party to the contractual provisions of the instrument.

Classes of financial instruments

Financial assets and liabilities are classified into classes that reflect the nature of information and take into account the characteristics of those financial instruments as follows:

Item on balance sheet	**Class**
Financial assets	
Cash and cash equivalents	Loans and receivables
Working advances	Loans and receivables
Staff salary advances	Loans and receivables
Financial liabilities	
Creditors and accruals	Financial liabilities at amortized cost

1.8.1 Financial assets

The EfG classifies its financial assets into the following categories: Financial assets at fair value through profit or loss; loans, advances and receivables; held- to- maturity investments; and available-for-sale assets. Management determines the appropriate classification of its investments at initial recognition.

Initial recognition of financial assets

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the society has transferred substantially all risks and rewards of ownership.

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans, advances and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method. Gains and losses arising from changes in the fair value of "financial assets at fair value through profit or loss" are included in the statement of comprehensive income in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in equity, until the financial asset is derecognized or impaired, at which time the cumulative gain or loss previously recognized in equity is recognized in the income statement.

Fair values of quoted investments in active markets are based on quoted bid prices. Equity securities for which fair values cannot be measured reliably are measured at cost less impairment.

i) Financial assets at fair value through profit or loss

This category has two sub-categories: Financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management. Derivatives are categorized as held for trading.

Loans, advances and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when organization provides money, goods or services directly to the person with no intention of trading the receivable.

Loans and advances are recognized when cash, goods or services are advanced to staff or partners. Advances to staff are stated net of provision for bad and doubtful loans. Management believes that advances to staff and partners carry very remote risk because they are repayable within one month.

ii) Loans, advances, and receivables

Receivables are carried at anticipated realizable 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.

iii) Held to maturity
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive

intention and ability to hold to maturity. Where a sale occurs other than of an insignificant amount of held-to-maturity assets, the entire category would be tainted and classified as available for sale.

iv) Available-for-sale financial assets
This category includes financial assets that are not (a) financial assets at fair value through profit or loss, (b) loans, advances and receivables, or (c) financial assets held to maturity.

Impairment and un-collectability of financial assets
At each reporting date, all financial assets are subject to review for impairment. If it is probable that the organization will not be able to collect all amounts due according to the contractual terms of advances, receivables, or held-to-maturity investments carried at amortized cost, an impairment loss has occurred. The amount of the loss is the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate (recoverable amount). The carrying amount of the asset is reduced to its estimated recoverable amount. The amount of the loss incurred is included in the income statement for the period.

If a loss on a financial asset carried at fair value (recoverable amount is below original acquisition cost) has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative net loss that had been recognized directly in equity is removed from equity and recognized in the income statement for the period even though the financial asset has not been derecognized.

Initial recognition
Financial liabilities within the scope of IFRS9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value and in the case of loans and borrowings and directly attributable transaction costs.

The Organization's financial liabilities include trade and other payables and accruals. After initial recognition, financial liabilities are measured at amortized cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

1.9 Impairment of non-financial assets
EfG recognizes an impairment loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

1.10 Accruals and provisions
The Organization recognizes provisions when it 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 of the amount can be made. Where the organization expects a provision to be reimbursed, for example under an insurance contract, the

reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

1.11 Offsetting a financial asset and a financial liability

A financial asset and a financial liability shall be offset, and the net amount presented in the balance sheet when and only when, the Organization:

- Currently has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognizing, the Organization shall not offset the transferred asset and the associated liability.

1.12 Income recognition

Income comprises of restricted and unrestricted grants received from donors.

- Unrestricted grants are funds received from donors without any attached conditions for compliance. Unrestricted grants are recognized as income when received.
- Restricted grants are recognized where there is reasonable assurance that they will be received, and all attaching conditions will be complied with. When the grant or donation relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the expenditure that it is intended to compensate.

Where the grant or donation relates to an asset, the fair value is credited to a deferred capital account and is released to the statement of income and expenditure over the expected useful life of the relevant asset by equal annual installments.

1.13 Finance income and costs

Finance income and costs from a financial asset or liability are recognised when it is probable that the economic benefits will flow to/out of the Organization and the amount of income or costs can be measured reliably. Interest income/cost 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 on initial recognition.

1.14 Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004. Deferred income tax is provided in full using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or sustainably enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or deferred income liability is settled. As a Non-for-profit Organization, EfG's income is mainly grants from donors with main activity being empowering women in the informal sector. All funds are restricted for implementation of the agreed activities with the respective donor.

1.15 Employee benefits

(i) Short term benefits

Short-term benefits are monetary and non-monetary benefits as covered in employment contracts and, a liability is recognized for unpaid short-term benefits. An expense is recognized as the entity benefits from services provided by employees.

(ii) Gratuity benefit

EfG Operation and Human Resources manual provide gratuity benefit to staff whose employment has comes to an end. The rate of gratuity payment is equal to one month salary times number of period (months) an employee has stayed with the Organization. In the recent period no donors' budget has provided for gratuity payment thus, no gratuity benefit is charged and accrued into the financial statements. Consequently, the gratuity benefit is not included in the staff contracts.

(iii) Post – employment benefits

EfG contributes to mandatory Social Security Funds 10% of basic salary of each locally recruited staff and the staff contributes 10% of his/her basic pay every month. EfG collects both contributions and remits to National Social Security Fund every end of the concerned month. The respective pension fund schemes will bear the pension obligations of the staff for the period after the members' retirement from active employment with EfG. The EfG contributions to fund schemes are charged to the statement of comprehensive income on accrual basis.

1.16 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of balances with less than three months' maturity from the date of acquisition.

2. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the EfG's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of the asset or liability affected in future periods.

In the process of applying the EfG's accounting policies, management has used its judgments and made estimates in determining the amounts recognized in the financial statements. Although these estimates are based on the management's knowledge of the current events and actions, actual results ultimately may differ from those estimates. The most significant use of judgments and estimates are as follows:

2.1 Impairment losses on accounts receivable

EfG reviews its accounts receivable to assess impairment at least on annual basis. In determining whether an impairment loss should be recorded in the statement of income and expenditure, management makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows in an individual receivable in the accounts receivable balance. This evidence may include observable data indicating that there has been an adverse change in the payment status of staff and partners, or national or local economic conditions that correlate with defaults on assets.

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment like those in the past for accounts receivables.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

2.2 Property, equipment, and intangible assets

Critical estimates are made by the directors in determining the useful lives of property, equipment, and intangible assets as well as their residual values. The Organization reviews the estimated useful lives of property, equipment, and useful lives at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other (losses)/gains – net' in profit or loss. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

3. Release of deferred grant	TZS 2020	TZS 2019
Grant Income - AcT2	373,140,219	548,196,485
UN Women Tanzania	-	211,111,173
URGENT ACTION FUND	31,640,028	52,073,630
I4ID unrban Vendors Dialogue	-	104,431,550
Grant Income-Finland Embassy-FIN3	107,006,630	-
Netherlands Embassy	-	34,163,206
Grant income-MEDA	14,100,000	-
Women Fund Tanzania	-	5,000,000
Grant Income-Twaweza	318,629,736	-
	844,516,612	**954,976,044**

4. Other income		
Local fund raising	4,340,509	9,200,000
Publications	-	4,855,750
VICOBA Materials	528,000	1,905,000
Members' subscription fee	250,000	-
Un-categorized income	4,000	-
Gain on exchange	57,575	-
	5,180,084	**15,960,750**

5. Programme activities cost		
Consultancy fees	103,672,633	177,005,427
Training/Workshops and capacity building	183,198,600	89,579,106
Project publicity	-	8,431,200
Research and data collection	5,100,000	40,524,740
Publications	9,348,628	47,347,796
Awareness raising	139,275,000	42,465,400
Media program and press conference	4,340,000	13,350,000
Advocacy campaign	6,845,000	27,912,600
Project meetings	14,196,300	14,960,000
Learning tours	-	8,610,680
Project monitoring	62,286,363	95,508,900
	528,262,524	**565,695,849**

6. Personnel costs		
Staff Salaries	222,703,470	283,990,137
Leave allowances	17,754,709	17,316,667
Pension funds	21,975,815	26,086,488
Workman Compensation Fund - WCF	2,020,034	2,336,650
Skills Development Levy (SDL)	-	6,162,366
	264,454,028	**335,892,308**

7. Administration expenses

	TZS 2020	TZS 2019
Office administrative expenses	4,659,400	-
Office rent and lease	16,885,172	17,100,273
Office repairs and maintenance	-	4,154,484
Electricity water and other utilities	5,486,467	3,263,100
Vehicle running and maintenance	4,803,281	7,543,043
Cleaning services	820,000	1,360,000
Stationery and supplies	3,266,800	4,193,910
Office drinking water coffee tea	909,200	1,095,300
Telephone fax email postage	426,600	1,206,544
Insurance expenses	1,445,500	4,854,660
IT services and technical support	4,503,974	9,620,000
Subscriptions fees	375,000	300,000
Depreciation expenses	5,404,843	-
Internet services	3,047,350	3,012,000
Capacity building for staff & board members	-	11,181,300
Board of trustee's meetings networking	10,973,720	8,777,900
Audit fees	7,750,000	12,000,000
Consultancy fees	4,200,000	4,200,000
Bank/legal fees and charges	2,131,825	3,286,525
	77,089,132	**97,149,039**

8. Properties and equipment

Year ended 31 December 2020	Land TZS	Office equipment TZS	Furniture and fittings TZS	Computers TZS	Motor vehicle TZS	Total TZS
Cost						
At start of year	21,745,000	51,402,622	12,181,198	18,572,802	62,131,645	166,033,268
Addition	-	-	-	3,000,000	-	3,000,000
At the end on year	**21,745,000**	**51,402,622**	**12,181,198**	**21,572,802**	**62,131,645**	**169,033,268**
Depreciation						
At start of year	-	48,470,679	12,073,202	15,932,174	60,060,590	136,536,645
Charge for the year	-	2,886,318	107,998	1,375,000	1,035,527	5,404,843
At end of year	-	**51,356,996**	**12,181,200**	**17,307,174**	**61,096,118**	**141,941,488**
Net book value	**21,745,000**	**45,626**	**(2)**	**4,265,628**	**1,035,527**	**27,091,779**
Year ended 31 December 2019						
Cost						
At start of year	21,745,000	51,402,622	12,181,198	15,322,800	62,131,645	162,783,266
Additions	-		-	3,250,002	-	3,250,002
At end of year	**21,745,000**	**51,402,622**	**12,181,198**	**18,572,802**	**62,131,645**	**166,033,268**
Depreciation						
At start of year	-	43,580,617	11,107,720	15,212,013	59,025,063	128,925,413
Charge for the year	-	4,890,062	965,482	720,161	1,035,527	7,611,232
At end of year	-	**48,470,679**	**12,073,202**	**15,932,174**	**60,060,590**	**136,536,645**
Net book value	**21,745,000**	**2,931,944**	**107,996**	**2,640,628**	**2,071,055**	**29,496,623**

9. Receivables

	TZS 2020	TZS 2019
Staff advances	6,644,000	-
Prepayments	11,082,759	4,386,111
Partners advances	-	2,157,105
Twaweza	46,883,000	-
	64,609,759	**6,543,216**

10. Cash and bank

	TZS 2020	TZS 2019
Cash at bank	6,645,886	29,739,131
Cash in hand	13,400	-
	6,659,286	**29,739,131**

11. Deferred income

	TZS 2020	TZS 2019
Victoria Development Agency (VIDEA)	-	15,499
UN Women Trust Fund	-	(671,729)
DFID - AcT2	11,077,708	36,217,522
UN Women Tanzania		1,518,607
Foundation for Civil Society (FCS)	-	1,561,000
Netherlands Embassy	-	11,594
I4ID-Vendors Mbeya research	-	1,286,484
UAF Africa	774,802	1,590,462
Embassy of Finland FIN3	5,578,310	-
Twaweza	2,473,264	-
	19,904,084	**41,529,439**

Movement of deferred income

	TZS 2020	TZS 2019
Opening balance	41,526,440	185,754,321
Add: Fund received during the year	828,203,175	813,252,555
Less: Release to income statement (note 3)	(844,516,612)	(954,979,044)
Less: Adjustments	(3,793,310)	-
Less: Return to Donor	(1,515,608)	(2,501,392)
	19,904,085	**41,526,440**

12. Payables and Accruals

	TZS 2020	TZS 2019
HESLB Loans	-	446,885
Salary payable	-	11,746,466
PAYE Payable	-	8,916,590
Social security fund-PSSSF	-	4,683,493
SDL payable	-	1,020,280
Withholding Tax payable	-	91,500
Workmen's compensation Fund	240,326	234,922
Partner-international volunteer deposit	-	828,965
Provision for Audit fee	7,750,000	12,000,000
Consultancy fee payable	7,000,000	(115,000)
Office rent payable	-	1,395,273
Partners payable	39,246	-
Accrued amount	4,956,000	-
	19,985,572	**41,249,374**

13. Related part transactions

The following transactions occurred with related parties, particularly transactions with members of the management team and board of Directors for the year 2020.

Payments	**2020 TZS**	**2019 TZS**
Board Meetings expenses and fees	10,973,720	8,777,900
Management Team Remunerations	194,435,903	176,607,347

There were five (5) members of the Management Team at year-end December 31, 2020 (2019: 3).

Receipts	**2020 TZS**	**2019 TZS**
Donation's contributions	95,580,000	-
Subscription fees	250,000	-

During the year 2020, Board members and founders were called to make contributions in form of donation to support EfG in raising funds to settle part of its current obligations. Five (5) Board members and two (2) subscribers pledged to donate a total of TZS 108,320,417 from July 2020 to June 2021. Up to December 31, 2020, TZS 95,580,000 were collected of which TZS 1,500,000 was noncash donation.

(a) Related party balances

Furthermore, there were no contracts or any other transactions during the year in which any of the related parties had interest significant to EfG.

14. Capital and operational commitments

there were neither capital nor operational commitments during the year (2019: NIL).

15. Contingent liabilities

There were no contingent liabilities as at 31 December, 2020 (2019: NIL).

16. Prevailing contracts with donors

At the end of the financial year, there were two continuing contract agreement with donors namely Finland Embassy and Urgent Action Fund-Africa with contract value of EUR 90,000 and USD 14,000 respectively. These contract agreements expire in July 2021 and March 2022 respectively.

17. Currency

These financial statements are presented in Tanzania Shillings. Tanzania Shilling is both the Organization's functional and reporting currency.

18. Incorporation

On 6 August 2008, the Organization was registered as a company limited by guarantee and not having share capital with registration No. 66935. It was later registered as a Non-Governmental Organization (NGO) with Certificate of Compliance No. 00001544 issued on 11 December 2013.The Organization is domiciled in Tanzania.

19. Comparative figures

The current year figures have been reclassified in a manner that permit and facilitate the comparability with the previous year corresponding figures.

Annex 1: DETAILED ANALYSIS OF DEFERRED GRANT INCOME

Name of donor	At start of year	fund received	released to income	Released to other income	Returned to donor	At end of year
	TZS	TZS	TZS	TZS	TZS	TZS
VIDEA	15,499	-	-	15,499	-	-
UN Women Trust Fund	(671,729)	-	-	(671,729)	-	-
DFID-AcT2	36,217,522	348,000,404	373,140,219	-	-	11,077,708
UN-Women	1,518,607	-	-	-	1,518,607	-
Tanzania Foundation for Civil Society (FCS)	1,561,000	-	-	1,561,000	-	-
Netherlands Embassy	11,594	-	-	11,594	-	-
I4ID-Vendors Mbeya research	1,286,484	-	-	1,286,484	-	-
Urgent Action Fund Africa	1,590,462	32,414,830	31,640,028	1,590,462	-	774,802
Embassy of Finland	-	112,584,940	107,006,630	-	-	5,578,310
MEDA Economic Development Associates	-	14,100,000	14,100,000	-	-	-
Twaweza East Africa	-	321,103,000	318,629,736	-	-	2,473,264
	41,529,439	**828,203,175**	**844,516,612**	**3,793,310**	**(1,515,608)**	**19,904,085**

ANNEX 2: ANALYSIS OF DONOR FUND BALANCES – DFID-AcT- 2

AcT-2 ACCOUNTABILITY STATEMENT
Expenditure period: 1st January 2020 to 31st December 2020

Project: VOICES FOR VISIBILITY, RIGHTS AND LIVELIHOOD: Model scale-up in support of women market traders in Tanzania

	Amount TZS	Amount GBP
Balance brought forward from the previous period	36,217,522	13,122
Funds receive during the period	348,000,404	118,300
Total funds received	384,217,926	131,422
Total Expenditure	(373,140,218)	(127,510)
Fund balance	**11,077,708**	**3,912**

ANNEX 3: ANALYSIS OF DONOR FUND BALANCES – URGENT ACTION FUND AFRICA (UAF)

Expenditure period: January 2020 to December 2020

Project: Carry out an analysis of COVID, develop a report on the response to COVID 19 that would focus on informal sector women, share the outcome with relevant decision-making bodies resulting into effective engagement of women issues in economic policies and national action against pandemic Gather document and share 30 stories of informal sectors traders especially women who are now experiencing COVID 19 effects and who have innovative and better alternative ways of conducting their business.

	Amount TZS	Amount USD
Balance brought forward from the previous periods	1,590,462	686.43
Total funds receive during the period	32,414,830	13,990.00
Total fund	**34,005,292**	**14,676.43**
Total expenditure	(31,640,028)	(13,655.60)
Released to income	(1,590,462)	(686.43)
Balance	**774,802**	**334.40**

ANNEX 4: ANALYSIS OF DONOR FUNDS BALANCES - EMBASSY OF FINLAND

ACCOUNTABILITY STATEMENT

Expenditure period: January 2020 to 31st December 2020
Project: Support in fighting against Violence Against Women and Girls

	TZS	EUR
Balance brought forward from the previous period	-	-
Fund receive during the period	112,584,940	45,000
Total Funds received	112,584,940	45,000
Total expenditure	**(107,006,630)**	**(42,770)**
Fund Balance	**5,578,310**	**2,230**

Code	Description of activity	Total project budget	Annual budget	Period expenditure	Variance	Variance
		TZS	TZS	TZS	TZS	%
FE1	Conduct refresher course for Paralegals in Lushoto	8,750,000	4,375,000	5,432,973.24	(1,057,973.24)	124%
FE2	Conduct dialogue session on gender and women rights with councilors, municipal officials, law enforcers, market committees, police, paramilitary, and other stakeholders in DSM	17,500,000	4,614,500	4,614,500.00	-	100%
FE3	Field Awareness raising on GBV by LCS	5,920,000	2,960,000	4,010,000.00	(1,050,000.00)	135%
FE4	Addressing GBV in Markets places and GBV data collection through digital technology	32,344,000	20,307,500	22,472,000.00	(2,164,500.00)	111%
FE5	Produce documentaries of women stories on GBV	8,666,000	4,333,000	2,479,363.00	1,853,637.00	57%
FE6	Conduct Legal Aid Services by Legal Officer in markets	17,280,000	8,640,000	5,365,000.00	3,275,000.00	62%
FE7	Technical support and delivery of monthly reports by LCS, Paralegals	30,000,000	15,000,000	12,520,000.00	2,480,000.00	83%
FE8	Field travel cost/Upcountry- Lushoto on GBV awareness	11,520,000	5,760,000	4,500,000.00	1,260,000.00	78%
FE9	Respond on GBV and raise awareness through Media Activities	3,020,000	1,510,000	-	1,510,000.00	0%
FE10	Staff Cost	83,304,000	41,652,000	42,420,808.38	(768,808.38)	102%
FE11	Administrative cost	6,696,000	3,432,940	3,191,985.02	240,954.98	93%
	Total expenditure	**225,000,000**	**112,584,940**	**107,006,629.64**	**5,578,310.36**	**95%**

ANNEX 5: ANALYSIS OF DONOR FUND BALANCES – TWAWEZA EAST AFRICA

Expenditure period: January 2020 to 31st December 2020
Project Purpose: conduct series of empowerment trainings for market women and informal sector traders and support them to develop a priority agenda to share with their peers, the media and other actors

Contract no: 2009021 Unit: Advocacy DM No. 0003260

	Amount TZS
Total Fund Contract	321,103,000.00
Total Expenditure	(318,813,334)
Unspent Fund	**2,289,666**
Fund received	274,220,000
Total Fund Contract	321,103,000
Due to Equality for Growth	**(46,883,000)**