

AMEND.ORG (T)
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2016

AMEND.ORG (T)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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AMEND.ORG (T)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and audited financial statements for the year ended 31 December 2016, which disclose the state of affairs of Amend.org (T) (“the Organisation”), as at that date.

1 INTRODUCTION AND REGISTRATION

Amend is an international non-governmental organisation headquartered in New York City, United States (US) which operates in various countries with an ultimate goal of preventing child road traffic injury.

Amend established its office in Tanzania, Amend.org (T) in June 2009 under the Non-Governmental Organization Act, 2002 with a registration number I-NGO/00006758. The envisaged programme started to kick off in January 2010. September to December 2009 was considered as a set-up period. The Organisation is mainly funded by grants received from Amend (US).

2 VISION

A future in which vulnerable road users in sub-Saharan Africa are as safe as road users anywhere in the world.

3 MISSION

The Organisation’s mission is to develop, implement, and evaluate evidence-based interventions to reduce the incidence of road traffic injury among the most vulnerable road users in Africa today while working to help create an environment for long-term, sustainable injury reduction.

4 PRINCIPAL ACTIVITIES

The Organisation’s main activities focus on reducing the incidence of Road Traffic Injury (RTI). This includes the following:

- Population-based scientific studies and evaluations;
- Road safety assessments;
- Light infrastructure provision;
- The social marketing of reflector-enhanced schoolbags;
- Road safety education;
- Media campaigns;
- Government advocacy; and
- Custom-designed safety campaigns.

5 RESULTS FROM OPERATIONS

The results for the Organisation for the year ended 31 December 2016 are set out on page 7.

6 COMPOSITION OF DIRECTORS

The directors, who served during the year and up to the date of this report unless as otherwise stated, are as follows:

Name	Nationality	Position
Mr. Michael Drexler	U.S Citizen	Chairman
Mr. Jeffrey Witte	U.S Citizen	Executive Director
Mr. Tom Bishop	British	Deputy Director
Ms. Leila Kazemi	U.S Citizen	Member
Ms. E.R. Kadendula	Tanzanian	Member
Ms. Theodora Mabada	Tanzanian	Member

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REPORT OF THE DIRECTORS (Continued)

7 EMPLOYEE WELFARE

The average number of persons employed by the Organisation during the year was 8 (2015 – 8).

The Organisation's employment terms are reviewed annually to ensure that they continue to meet statutory and market conditions. Open communication is maintained with employees through regular meetings between management and staff.

A training program is drawn up each year to cater for all grades of staff. Training is mainly conducted in-house. However, external institutions are also used for specialist and executive training programmes.

The Organisation's policy is not discriminatory against people with regards to race, gender, religion or disability.

Medical Assistance:

Employees with their families are covered by medical health insurance which provides access to treatment at designated hospitals.

Retirement Benefits:

The Organisation makes contributions in respect of staff retirement benefits to a defined statutory contribution plan, through social security scheme including National Social Security Fund. The Organisation's obligations in respect of these contributions are limited to 10% of the employees' gross salary, while the employees contribute 10% of their respective gross salary.

8 GENDER PARITY

The Organisation 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 and disability which does not impair ability to discharge duties. As at 31 December 2016 the Organisation has the ratio of 1:1 female to male employees (2015 – 1:1).

9 CORPORATE GOVERNANCE

The directors believe that high standards of corporate governance directly influence the Organisation's stakeholders' confidence. The members also recognise the importance of integrity transparency and accountability.

The Board of directors meet on a regular basis to review the results, operations, key financial aspects and the strategy of the Organisation.

10 MANAGEMENT

The overall management of the Organisation is vested with the Executive Director as the overall in charge. The day to day operations of the Organisation is entrusted to the Deputy Director who is assisted by the programme officers and office managers.

11 SOLVENCY

The state of the Organisation's financial affairs at 31 December 2016 is set out on page 6. The Board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that the Organisation has adequate resources to continue in operational existence for the foreseeable future.

AMEND.ORG (T)

REPORT OF THE DIRECTORS (Continued)

12 AUDITORS

The auditor have expressed willingness to continue in office and eligible for re-appointment.

Approved by the board of directors and signed on its behalf by:

Tom Bishop
Director

Theodora Mabada
Director

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of financial statements of Amend.org (T) comprising the statement of financial position as at 31 December 2016, and the statements of income and expenditure, changes in net assets and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes set out in note 2.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Organisation to continue as going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditors are responsible for reporting on whether the annual financial statements have been prepared in accordance with basis of accounting set out in note 2.

Approval of financial statements

The financial statements of Amend.org (T), as identified in the first paragraph, were approved by the board of directors on and signed by:

Tom Bishop
Director

Theodora Mabada
Director

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AMEND.ORG (T)**

Report on the financial statements

We have audited the accompanying financial statements of Amend.org (T) ("the Organisation"), which comprise the statement of financial position as at 31 December 2016, and the statements of income and expenditure, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 10 to 20. The financial statements have been prepared by the directors in accordance with the accounting policies set out in note 2.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements in accordance with the accounting policies set out in note 2, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for determining that the basis of accounting described in note 2 is an acceptable basis for preparing the financial statements in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of Amend.org (T) for the year ended 31 December 2016 are prepared, in all material respects, in accordance with the accounting policies set out in note 2.

Global Associates Limited
Certified Public Accountant (T)

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Dar es Salaam

.....2017

AMEND.ORG (T)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016	2015	Memorandum	
		USD	USD	2016 TZS'000	2015 TZS'000
ASSETS					
Non-current assets					
Property and equipment	5	<u>684</u>	<u>6,192</u>	<u>1,499</u>	<u>13,375</u>
Current assets					
Inventories		1,052	1,047	2,305	2,262
Advances and prepayments	6	1,160	1,615	2,541	3,489
Cash and cash equivalents	7	<u>5,438</u>	<u>8,375</u>	<u>11,915</u>	<u>18,089</u>
		<u>7,650</u>	<u>11,037</u>	<u>16,761</u>	<u>23,840</u>
Total assets		<u>8,334</u>	<u>17,229</u>	<u>18,260</u>	<u>37,215</u>
LIABILITIES AND NET ASSETS					
Net assets					
Accumulated funds		4,849	12,182	10,303	23,286
Foreign currency translation reserve		<u>-</u>	<u>-</u>	<u>319</u>	<u>3,027</u>
		<u>4,849</u>	<u>12,182</u>	<u>10,622</u>	<u>26,313</u>
Current liabilities					
Payables	8	<u>3,485</u>	<u>5,047</u>	<u>7,638</u>	<u>10,902</u>
Total liabilities and net assets		<u>8,334</u>	<u>17,229</u>	<u>18,260</u>	<u>13,375</u>

The financial statements on pages 6 to 20 were approved by the Board of Directors on2017 and signed on its behalf by:-

Tom Bishop
Director

Theodora Mabada
Director

The Notes on pages 10 to 20 form an integral part of these financial statements.

Auditors' report on page 5.

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**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016	2015	Memorandum	
		USD	USD	2016 TZS'000	2015 TZS'000
Income					
Amend (US) contribution		245,000	361,000	534,830	727,387
Other income	9	<u>3,843</u>	<u>6,202</u>	<u>8,390</u>	<u>12,497</u>
Total income		<u>248,843</u>	<u>367,202</u>	<u>543,220</u>	<u>739,884</u>
Expenditure					
Staff costs	10	120,463	171,842	262,969	346,248
Programme expenses	11	68,307	93,360	149,113	188,113
Occupancy expenses	12	11,586	13,759	25,292	27,723
Communication expenses		2,659	4,515	5,805	9,097
Professional services	13	21,072	42,637	46,000	85,911
Transport and travelling expenses	14	22,186	19,729	48,432	39,752
Office supplies		3,847	3,898	8,398	7,854
Other general expenses		4,431	7,916	9,674	15,950
Depreciation charge	5	<u>1,625</u>	<u>1,238</u>	<u>3,547</u>	<u>2,495</u>
Total expenditure		<u>256,176</u>	<u>358,894</u>	<u>559,230</u>	<u>723,143</u>
(Deficit)/ surplus for the year		<u>(7,333)</u>	<u>8,308</u>	<u>(16,010)</u>	<u>16,741</u>
Other comprehensive income					
Foreign currency translation reserve		<u>-</u>	<u>-</u>	<u>(2,708)</u>	<u>2,094</u>
Total comprehensive (loss)/income for the year		<u>(7,333)</u>	<u>8,308</u>	<u>(18,718)</u>	<u>18,835</u>

The Notes on pages 10 to 20 form an integral part of these financial statements.

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STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Accumulated funds USD	Memo Total TZS'000
At 1 January 2015	3,874	6,545
Surplus for the year	8,308	16,741
Foreign exchange translation reserve	-	3,027
Balance as at 31 December 2015	12,182	26,313
At 1 January 2016	12,182	26,313
(Deficit)/ surplus for the year	(7,333)	(16,010)
Foreign exchange translation reserve	-	319
At 31 December 2016	4,849	10,622

The Notes on pages 10 to 20 form an integral part of these financial statements.

Auditors' report on page 5

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015	Memorandum	
			2016	2015
	USD	USD	TZS'000	TZS'000
Cash flows from operating activities				
(Deficit)/ surplus for the year	(7,333)	8,308	(16,010)	16,741
Adjustment for non-cash items:				
Depreciation charge	1,625	1,238	3,547	2,495
Loss on disposal of motor vehicle	141	-	308	-
Asset write off	-	1,035	-	2,086
	<u>(5,567)</u>	<u>10,581</u>	<u>(12,155)</u>	<u>21,322</u>
Tax paid	-	-	-	-
Net cash (used in)/ generated from operating activities	(5,567)	10,581	(12,155)	21,322
Changes in:				
- Decrease/ (increase) in inventories	(5)	(1,047)	(43)	(2,262)
- Decrease/ (increase) in advances and prepayments	455	(342)	948	(1,339)
- Increase/(decrease) in payables	<u>(1,562)</u>	<u>4,504</u>	<u>(3,264)</u>	<u>9,984</u>
Net cash (used in)/ generated from operating activities	(6,679)	13,696	(14,514)	27,705
Cash flows from investing activities				
Purchase of motor vehicle (Note 5)	-	(7,430)	-	(14,971)
Purchase of computer equipment (Note 5)	(823)	-	(1,797)	-
Sale proceeds from sale of motor vehicle (Note 5)	<u>4,565</u>	<u>-</u>	<u>10,002</u>	<u>-</u>
Net cash (used in)/ generated from investing activities	3,742	(7,430)	8,205	(14,971)
Net (decrease)/ increase in cash and cash equivalents	(2,937)	6,266	(6,309)	12,734
Cash and cash equivalents at beginning of the year	8,375	2,109	18,089	3,564
Foreign exchange translation reserve	-	-	135	1,791
Cash and cash equivalents at end of the year (Note 7)	<u>5,438</u>	<u>8,375</u>	<u>11,915</u>	<u>18,089</u>

The Notes on pages 10 to 20 form an integral part of these financial statements.

Auditors' report on page 5

AMEND.ORG (T)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 REPORTING ENTITY

Amend.org (T) (“the Organisation”) is an organisation domiciled in Tanzania. These financial statements are for the year ended 31 December 2016.

2 BASIS OF PREPARATION

(i) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

(ii) Basis of measurement

The financial statements are prepared under historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(iii) Functional and presentation currency

These financial statements are presented in United States Dollars (USD), which is the Organisation’s functional currency. The financial information in the unaudited memorandum columns are presented in thousands of Tanzanian Shillings (TZS’000).

Memorandum figures

The Memorandum column representing the results in Tanzanian Shillings (TZS) are for presentation purposes only, and do not form part of the audited financial statements. The exchange rates used to translate the USD figures to TZS Memorandum were as follows:

- Assets and liabilities were translated at the closing rate at 31 December 2016 which of TZS 2,190.95 (2015: 2,160) to USD 1 except for additions to property, plant and equipment were translated at an average rate for the period of TZS 2,182.98 (2015: 2,014.92);
- income and expenses were translated using an average exchange rate for the period of TZS 2,182.98 (2015: 2,014.92);
- equity is not translated; and
- All resulting exchange differences are being recognised in other comprehensive income.

(iv) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods

Critical estimates are made by the Directors in determining the useful lives of property and equipment as well as their residual values.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which is recognised directly in equity.

(b) Grants

(i) Deferred grants

All grants received are initially recognised as deferred revenue grants at fair value and recorded as liabilities.

The portion of the grants that are utilised to purchase property and fixed assets are transferred as deferred income in liabilities and subsequently release to income to match the depreciation for the period and amortisation of the fixed assets as charged to Profit or Loss.

Grants utilized to reimburse program related expenditure are recognized as grant income for the period.

Donor grants received in kind, through the provision of gifts and/or services, are recorded at fair value.

Grant income classified as temporarily restricted or unrestricted depending upon the existence of donor imposed restrictions. For completed or phased out projects and programs, any unutilised amounts are dealt with in accordance with consequent donor and management agreements.

For ongoing projects and programs, any expenditures yet to be funded but for which funding has been agreed at the end of the reporting period is recognised as revenue grant receivable.

(ii) Grant income

Grant income is recognized on a cash basis to the extent that the Organisation fulfils the conditions of the grant. This income is transferred from the deferred grant received from donors and recognized as income in the statement of income and expenditure.

A substantial portion of the Organisation's donor grants are for funding of Not-for-profit projects and programs, and for these grant, income recognized is matched to the extent of actual expenditures incurred on projects and programs for the period.

For donor grants restricted to funding procurement of fixed assets, the grant income is recognised as the amount equivalent to depreciation expenses charged on the fixed assets.

(c) Expenditure recognition

Expenditure in respect of goods and services are recognised when expenses have been incurred.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property and equipment

(i) *Recognition and measurement*

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Expenditure on any single or group of items of a capital nature up to a limit of USD 500 purchase cost will be expended in the period of acquisition. Expenditure on any single or group of items of a capital nature above USD 500 will be capitalised in the book of accounts and will be depreciated over the useful life of the asset. This policy will apply to all categories of items unless specified otherwise

(ii) *Subsequent costs*

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Organisation and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in statement of income and expenditure as incurred.

(iii) *Depreciation*

Depreciation is recognised in statement of income and expenditure on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives are as stated:

Furniture & fixtures	12.5%
Computers & IT equipment	33.3%
Machinery & equipment	12.5%
Motor vehicles	20.0%

Depreciation methods, useful lives and residual values are reassessed at the reporting date. For assets purchased using grants, depreciation is amortised from deferred income to statement of income and expenditure.

(iv) *Impairment of non-financial assets*

The carrying amounts of the Organisation's non-financial assets, other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in statement of profit or loss and other comprehensive income.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property and equipment (Continued)

(iv) Impairment of non-financial assets (Continued)

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Organisation in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(f) Lease payments made

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(g) Provisions

A provision is recognised if, as a result of a past event, the Organisation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(h) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in statement of income and expenditure when they are due.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus if the Organisation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) New standards and interpretations not yet adopted

At the date of authorisation of the financial statements for the year ended 31 December 2016, the following Standards and Interpretations were in issue but not yet effective:

Effective for the financial year commencing 1 January 2018

- IFRS 9 Financial Instruments

Effective for the financial year commencing 1 January 2019

- IFRS 16 Leases

All Standards and Interpretations will be adopted at their effective date except for those Standards and Interpretations that are not applicable to the entity. The directors are in the process of assessing the impact of these new standards some of which may have significant impact on the Organisation.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The Organisation is assessing the potential impact on the financial statements resulting from the application of IFRS 16.

All Standards will be adopted at their effective date. The directors are of the opinion that the adoption of the standards when effective, will not have a material impact to the financial statements of the Organisation.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Amend.org (T) has exposure to the following risks from its use of financial instruments:

- (a) Credit risk;
- (b) Liquidity risk; and
- (c) Market risk.

This Note presents information about the Organisation's exposure to each of the above risks, its objectives, policies and processes for measuring and managing the risks.

(a) Credit risk

Credit risk is the risk of financial loss to Organisation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Organisation's loans and advances to customers.

During the year the Organisation did not issue loans to customers hence no credit risks that affect the Organisation's operations.

(b) Liquidity risk

Liquidity risk is the risk that the Organisation will encounter difficulty in meeting obligations from its financial liabilities

Management of liquidity risk

The Organisation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Organisation's reputation.

Residual contractual maturities of financial liabilities.

	Carrying amount	Contractual cash flows	Within 1 year
31 December 2016	USD	USD	USD
Payables	<u>3,485</u>	<u>3,485</u>	<u>3,485</u>
31 December 2015	USD	USD	USD
Payables	<u>5,047</u>	<u>5,047</u>	<u>5,047</u>

The previous table shows the undiscounted cash flows on the Organisation's financial liabilities and on the basis of their earliest possible contractual maturity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc will affect Organisation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Organisation is exposed to currency risk on payments that are denominated in a currency other than the respective functional currency of Organisation, the US Dollars (USD). The currencies in which these transactions primarily are denominated are Tanzanian Shilling (TZS) and US Dollars (USD).

The Organisation's strategy for managing its foreign currency exposure is through transacting mainly using its functional currency.

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments; disclosure around market risk also relates to sensitivity analysis of the type of market risk – currency risk, showing how the income profit or loss and equity would have been affected by reasonably possible changes in the relevant risk variable at the year- end date.

During the year the Organisation did not incur transactions in other foreign currencies.

(ii) Interest rate risk

The interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates and the fair value interest rate risk is the risk that the value of the financial instrument will fluctuate because of changes in market interest rates.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 PROPERTY AND EQUIPMENT

	Furniture & fixtures USD	Computers & IT equipment USD	Motor Vehicles USD	Total USD	Memo Total TZS'000
Cost					
At 1 January 2015	832	1,425	-	2,257	3,814
Additions during the year	-	-	7,430	7,430	14,971
Write off	(832)	(1,425)	-	(2,257)	(4,548)
Translation reserve	-	-	-	-	1,812
At 31 December 2015	-	-	7,430	7,430	16,049
At 1 January 2016	-	-	7,430	7,430	16,049
Additions during the year	-	823	-	823	1,797
Disposal	-	-	(7,430)	(7,430)	(16,049)
Translation reserve	-	-	-	-	7
At 31 December 2016	-	823	-	823	1,804
Accumulated depreciation					
At 1 January 2015	466	756	-	1,222	2,065
Charge for the year	-	-	1,238	1,238	2,495
Write off	(466)	(756)	-	(1,222)	(2,462)
Translation reserve	-	-	-	-	576
At 31 December 2015	-	-	1,238	1,238	2,674
At 1 January 2016	-	-	1,238	1,238	2,674
Charge for the year	-	139	1,486	1,625	3,547
Disposal during the year	-	-	(2,724)	(2,724)	(5,947)
Translation reserve	-	-	-	-	31
At 31 December 2016	-	139	-	139	305
Net book value					
At 31 December 2016	-	684	-	684	1,499
At 31 December 2015	-	-	6,192	6,192	13,375

6. ADVANCES AND PREPAYMENTS

	2016 USD	2015 USD	Memo TZS'000	
			2016 TZS'000	2015 TZS'000
Advance petty cash	-	1,095	-	2,365
Staff imprest	1,160	520	2,541	1,124
	1,160	1,615	2,541	3,489

AMEND.ORG (T)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. CASH AND CASH EQUIVALENTS

	2016 USD	2015 USD	Memo	
			2016 TZS'000	2015 TZS'000
Cash in hand	371	337	813	726
Cash at bank	5,067	8,038	11,102	17,363
	5,438	8,375	11,915	18,089

8. PAYABLES

	2016 USD	2015 USD	Memo	
			2016 TZS'000	2015 TZS'000
Accrued expenses	3,485	5,047	7,638	10,902

9. OTHER INCOME

	2016 USD	2015 USD	Memo	
			2016 TZS'000	2015 TZS'000
VAT refund from EU Visibility programme	-	3,834	-	7,725
Reimbursement on Road Safety programmes	3,567	1,765	7,787	3,556
Donation from See & Be Seen Limited	267	-	583	-
Income from sale of reflector bags	7	602	15	1,213
Interest income	2	1	5	3
	3,843	6,202	8,390	12,497

10. STAFF COSTS

	2016 USD	2015 USD	Memo	
			2016 TZS'000	2015 TZS'000
Staff salaries	106,337	150,007	232,132	302,252
Bonus provision	-	2,465	-	4,967
Social security contributions	11,466	13,738	25,030	27,681
Other staff costs	2,660	5,632	5,807	11,348
	120,463	171,842	262,969	346,248

AMEND.ORG (T)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. PROGRAMME EXPENSES

	2016 USD	2015 USD	Memo	
			2016 TZS'000	2015 TZS'000
Safety materials	-	4,116	-	8,294
Infrastructure	49,166	53,332	107,328	107,460
General supplies	408	1,119	892	2,255
Promotional materials	3,130	6,879	6,832	13,861
Non-staff program personnel	-	19,900	-	40,097
Uniform	677	894	1,479	1,800
Other programme expenses	14,926	7,120	32,582	14,346
	<u>68,307</u>	<u>93,360</u>	<u>149,113</u>	<u>188,113</u>

12. OCCUPANCY EXPENSES

	2016 USD	2015 USD	Memo	
			2016 TZS'000	2015 TZS'000
Rent	11,247	13,684	24,552	27,571
Service charge	339	75	740	152
	<u>11,586</u>	<u>13,759</u>	<u>25,292</u>	<u>27,723</u>

13. PROFESSIONAL SERVICES

	2016 USD	2015 USD	Memo	
			2016 TZS'000	2015 TZS'000
Legal fees	-	83	-	168
Accountant fee	149	598	327	1,205
Non-staff programme personnel	19,148	-	41,799	-
Other	1,775	41,956	3,874	84,538
	<u>21,072</u>	<u>42,637</u>	<u>46,000</u>	<u>85,911</u>

14. TRAVELLING AND TRANSPORT EXPENSES

	2016 USD	2015 USD	Memo	
			2016 TZS'000	2015 TZS'000
Motor vehicle expenses, taxi and other travelling costs	15,104	13,326	32,973	26,851
Per diem and lodging	7,082	6,403	15,459	12,901
	<u>22,186</u>	<u>19,729</u>	<u>48,432</u>	<u>39,752</u>

AMEND.ORG (T)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RELATED PARTY TRANSACTIONS

(i) During the year, the Organisation received grant amounting to USD 245,000 in 2016 (2015: USD 361,000) from Amend (US) to support activities focus on reducing the incidence of Road Traffic Injury (RTI). All transactions were conducted at an arm's length.

(ii) *Directors' and executives' remuneration*

Remuneration paid to directors and other members of the key management during the year was as follows

	2016	2015
	USD	USD
Salaries and other short-term benefits	<u>78,383</u>	<u>101,189</u>

16. TAXATION

Amend.org (T) has been registered as a non-government organisation, governed by Non-Government Organisation Act, 2002 having no motive to make profits.

The directors believes that Amend.org (T) is exempted from paying corporate tax as the Organisation is not for profit organisation supporting initiatives and activities of Tanzania's National Road Safety Policy.

17. CONTINGENT LIABILITIES

The directors are not aware of any other contingent liabilities against the Organisation as at the date of this report.

18. POST BALANCE SHEET EVENTS

At the time of signing these accounts the directors are not aware of any post balance sheet events