

AMEND.ORG (T)

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2018

AMEND.ORG (T)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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AMEND.ORG (T)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and audited financial statements for the year ended 31 December 2018, 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 2018 are set out on page 9.

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

AMEND.ORG (T)

REPORT OF THE DIRECTORS (Continued)

7 EMPLOYEE WELFARE

The average number of persons employed by the Organisation during the year was 6 (2017 – 6).

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 2018 the Organisation has the ratio of 1:1 female to male employees (2017 – 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 2018 is set out on page 8. 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

5th April 2019

08 April 2019

AMEND.ORG (T)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Organisation's directors are responsible for the preparation of financial statements that give true and fair view of Amend.org (T) comprising of the statement of financial position as at 31 December 2018, 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 information, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2002.

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 auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

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.

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 8 April 2019 and signed by:



Tom Bishop
Director



Theodora Mabada
Director

AMEND.ORG (T)

DECLARATION BY PREPARER OF 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 Professional Accountant responsible for the preparation of financial statements of the Organisation concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an Organisation showing true and fair view of the Organisation position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I Umehani Khatri being the Professional Accountant of Amend.org (T) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2018 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements of Amend.org (T) comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

Signed by: LKhatra

Position: Professional Accountant

NBAA Membership No.: ACPA 2028

Date: 8 April 2019

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

Report on the financial statements

Opinion

We have audited the financial statements of Amend.org (T) ("the Organisation"), set out on pages 12 to 22 which comprise the statement of financial position as at 31 December 2018, and the statements of income and expenditure, changes in net assets and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Amend.org (T) as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organisation in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act, 2002, Statement of Directors' responsibilities and Declaration by Professional Accountant. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, directors are responsible for assessing the Organisation'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 directors either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

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

Auditors' Responsibilities for the Audit of the financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation 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.

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 2002 we report that:

- in our opinion, proper accounting records have been kept by Amend.org (T);
- the individual accounts are in agreement with the accounting records of the Organisation; and
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.




AMEND.ORG (T)


STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		2018	2017	Memorandum	
	Notes	USD	USD	2018 TZS'000	2017 TZS'000
ASSETS					
Non-current assets					
Property and equipment	5	<u>136</u>	<u>410</u>	<u>310</u>	<u>902</u>
Current assets					
Inventories		800	689	1,823	1,516
Advances and prepayments	6	7,619	1,060	17,364	2,333
Cash and cash equivalents	7	<u>22,119</u>	<u>11,949</u>	<u>50,409</u>	<u>26,300</u>
		<u>30,538</u>	<u>13,698</u>	<u>69,596</u>	<u>30,149</u>
Total assets		<u>30,674</u>	<u>14,108</u>	<u>69,906</u>	<u>31,051</u>
LIABILITIES AND NET ASSETS					
Net assets					
Accumulated funds		27,168	12,113	60,605	26,561
Foreign currency translation reserve		<u>-</u>	<u>-</u>	<u>1,311</u>	<u>99</u>
		<u>27,168</u>	<u>12,113</u>	<u>61,916</u>	<u>26,660</u>
Current liabilities					
Payables	8	<u>3,506</u>	<u>1,995</u>	<u>7,990</u>	<u>4,391</u>
Total liabilities and net assets		<u>30,674</u>	<u>14,108</u>	<u>69,906</u>	<u>31,051</u>

The financial statements on pages 8 to 22 were approved by the Board of Directors on2019 and signed on its behalf by:-



Tom Bishop
Director



Theodora Mabada
Director

The Notes on pages 12 to 22 form an integral part of these financial statements.

Auditors' report on page 6 - 7.

AMEND.ORG (T)

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018	2017	Memorandum	
		USD	USD	2018 TZS'000	2017 TZS'000
Income					
Amend (US) contribution		232,527	208,750	524,272	458,062
Other income	9	<u>1,000</u>	<u>1,332</u>	<u>2,255</u>	<u>2,923</u>
Total income		<u>233,527</u>	<u>210,082</u>	<u>526,527</u>	<u>460,985</u>
Staff costs	10	89,057	79,831	200,794	175,174
Programme expenses	11	73,392	70,397	165,474	154,473
Occupancy expenses	12	10,693	11,699	24,109	25,671
Communication expenses		2,187	1,771	4,931	3,886
Professional services	13	2,147	11,785	4,841	25,860
Transport and travelling expenses	14	29,967	20,898	67,566	45,857
Office supplies		4,107	2,314	9,260	5,078
Other general expenses		6,648	3,849	14,989	8,446
Depreciation charge	5	<u>274</u>	<u>274</u>	<u>618</u>	<u>601</u>
Total expenditure		<u>218,472</u>	<u>202,818</u>	<u>492,582</u>	<u>445,046</u>
Surplus/(deficit) for the year		15,055	7,264	33,945	15,939
Other comprehensive income					
Foreign currency translation reserve		<u>-</u>	<u>-</u>	<u>1,212</u>	<u>(220)</u>
Total comprehensive income/(loss) for the year		<u>15,055</u>	<u>7,264</u>	<u>35,157</u>	<u>15,719</u>

The Notes on pages 12 to 22 form an integral part of these financial statements.

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STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Accumulated funds USD	Memo Total TZS'000
At 1 January 2017	4,849	10,622
Surplus for the year	7,264	15,939
Foreign exchange translation reserve	-	99
Balance as at 31 December 2017	12,113	26,660
At 1 January 2018	12,113	26,660
Surplus for the year	15,055	33,945
Foreign exchange translation reserve	-	1,311
Balance as at 31 December 2018	27,168	61,916

The Notes on pages 12 to 22 form an integral part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 USD	2017 USD	Memorandum	
			2018 TZS'000	2017 TZS'000
Cash flows from operating activities				
Surplus for the year	15,055	7,264	33,945	15,939
Adjustment for non-cash items:				
Depreciation charge	274	274	618	601
	15,329	7,538	34,563	16,540
Tax paid	-	-	-	-
Net cash generated from operating activities	15,329	7,538	34,563	16,540
Changes in:				
- (Increase)/decrease in inventories	(111)	363	(307)	789
- (Increase)/decrease in advances and prepayments	(6,559)	100	(15,031)	208
- Increase/(decrease) in payables	1,511	(1,490)	3,599	(3,247)
Net cash generated from operating activities	10,170	6,511	22,824	14,290
Cash flows from investing activities				
Purchase of computer equipment (Note 5)	-	-	-	-
Net cash generated from investing activities	-	-	-	-
Net increase in cash and cash equivalents	10,170	6,511	22,824	14,290
Cash and cash equivalents at beginning of the year	11,949	5,438	26,300	11,915
Foreign exchange translation reserve	-	-	1,285	95
Cash and cash equivalents at end of the year (Note 7)	22,119	11,949	50,409	26,300

The Notes on pages 12 to 22 form an integral part of these financial statements.

Auditors' report on page 6 - 7.

AMEND.ORG (T)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1 REPORTING ENTITY

Amend.org (T) ("the Organisation") is an organisation domiciled in Tanzania. These financial statements are for the year ended 31 December 2018.

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 2018 which of TZS 2,279 (2017: 2,201) to USD 1 except for additions to property, plant and equipment were translated at an average rate for the period of TZS 2,254.67 (2017: 2,194.31);
- income and expenses were translated using an average exchange rate for the period of TZS2,254.67 (2017: 2,194.31);
- 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.

AMEND.ORG (T)

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.

AMEND.ORG (T)

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.

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 2018, the following Standards and Interpretations were in issue but not yet effective:

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 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.

AMEND.ORG (T)

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 2018	USD	USD	USD
Payables	<u>3,506</u>	<u>3,506</u>	<u>3,506</u>
31 December 2017	USD	USD	USD
Payables	<u>1,995</u>	<u>1,995</u>	<u>1,995</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.

AMEND.ORG (T)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 PROPERTY AND EQUIPMENT

	Computers & IT equipment USD	Total USD	Memo Total TZS'000
Cost			
At 1 January 2017	823	823	1,804
Additions during the year	-	-	-
Disposal	-	-	-
Translation reserve	-	-	7
At 31 December 2017	823	823	1,811
At 1 January 2018	823	823	1,811
Additions during the year	-	-	-
Disposal during the year	-	-	-
Translation reserve	-	-	65
At 31 December 2018	823	823	1,876
Accumulated depreciation			
At 1 January 2017	139	139	305
Charge for the year	274	274	601
Disposal during the year	-	-	-
Translation reserve	-	-	3
At 31 December 2017	413	413	909
At 1 January 2018	413	413	909
Charge for the year	274	274	618
Disposal during the year	-	-	-
Translation reserve	-	-	39
At 31 December 2018	687	687	1,566
Net book value			
At 31 December 2018	136	136	310
At 31 December 2017	410	410	902

6. ADVANCES AND PREPAYMENTS

	2018 USD	2017 USD	Memo 2018 TZS'000	2017 TZS'000
Staff imprest	835	1,060	1,903	2,333
Advance petty cash	50	-	114	-
Prepaid expenses	6,734	-	15,347	-
	7,619	1,060	17,364	2,333

AMEND.ORG (T)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. CASH AND CASH EQUIVALENTS

	2018 USD	2017 USD	Memo	
			2018 TZS'000	2017 TZS'000
Cash in hand	477	550	1,087	1,211
Cash at bank	21,642	11,399	49,322	25,089
	<u>22,119</u>	<u>11,949</u>	<u>50,409</u>	<u>26,300</u>

8. PAYABLES

	2018 USD	2017 USD	Memo	
			2018 TZS'000	2017 TZS'000
Accrued expenses	3,506	1,851	7,990	4,074
Staff loan - Payable to HESLB	-	144	-	317
	<u>3,506</u>	<u>1,995</u>	<u>7,990</u>	<u>4,391</u>

9. OTHER INCOME

	2018 USD	2017 USD	Memo	
			2018 TZS'000	2017 TZS'000
Reimbursement on Road Safety programmes	844	1,304	1,903	2,861
Donation of reflector bags	130	-	293	-
Interest income	3	2	7	5
Other income	23	26	52	57
	<u>1,000</u>	<u>1,332</u>	<u>2,255</u>	<u>2,923</u>

10. STAFF COSTS

	2018 USD	2017 USD	Memo	
			2018 TZS'000	2017 TZS'000
Staff salaries	77,065	70,220	173,756	154,084
Social security contributions	8,259	6,643	18,621	14,577
Other staff costs	3,733	2,968	8,417	6,513
	<u>89,057</u>	<u>79,831</u>	<u>200,794</u>	<u>175,174</u>

AMEND.ORG (T)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. PROGRAMME EXPENSES

	2018	2017	Memo	
	USD	USD	2018	2017
			TZS'000	TZS'000
Safety materials	2,911	403	6,563	884
Infrastructure	27,414	34,776	61,810	76,309
General supplies	-	4	-	9
Promotional materials	-	2,993	-	6,568
Uniform	106	53	239	116
Event expenses	21,080	-	47,528	-
Other programme expenses	21,881	32,168	49,334	70,587
	<u>73,392</u>	<u>70,397</u>	<u>165,474</u>	<u>154,473</u>

12. OCCUPANCY EXPENSES

	2018	2017	Memo	
	USD	USD	2018	2017
			TZS'000	TZS'000
Rent	10,498	11,589	23,669	25,430
Service charge	195	110	440	241
	<u>10,693</u>	<u>11,699</u>	<u>24,109</u>	<u>25,671</u>

13. PROFESSIONAL SERVICES

	2018	2017	Memo	
	USD	USD	2018	2017
			TZS'000	TZS'000
Legal fees	45	55	102	121
Professional fees	1,238	989	2,791	2,170
Non-staff programme personnel	-	8,627	-	18,930
Other	864	2,114	1,948	4,639
	<u>2,147</u>	<u>11,785</u>	<u>4,841</u>	<u>25,860</u>

14. TRAVELLING AND TRANSPORT EXPENSES

	2018	2017	Memo	
	USD	USD	2018	2017
			TZS'000	TZS'000
Motor vehicle expenses, taxi and other travelling costs	13,217	10,898	29,800	23,914
Per diem and lodging	16,750	10,000	37,766	21,943
	<u>29,967</u>	<u>20,898</u>	<u>67,566</u>	<u>45,857</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 232,527 in 2018 (2017: USD 208,750) 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:

	2018	2017
	USD	USD
Salaries and other short-term benefits	<u>57,067</u>	<u>52,859</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