



Tanzania Coalition on Debt and Development (TCDD)

Annual Report

2012

FOREWORD

Year 2012 was not very easy for TCDD having lost his former Executive Director the late Chamba Max Kajege who served TCDD for 9 years since 2003 to 2011 first as a Coordinator from 2003 to 2007 and as an Executive Director from 2007 to 2011 when he passed on 13th December 2011.

The Steering Committee of TCDD saw it wise to appoint me to serve in the capacity of Executive Director on transitional basis to make the organization continue and at the same time put some system, mechanism and regulations in order especially those related to finance, procurement and staff which the steering committee wanted them in place before the new Executive Director is recruited.

With the guidance of the Steering Committee, our small secretariat while learning tried her level best to implement all the projects diligently and efficiently. The encouragement which the secretariat received from the 6th TCDD Annual General Meeting (AGM) on 26th April 2012 when we presented for the first time since TCDD was founded in 1998, the 2011 TCDD Annual Report and consolidated audited accounts was an energizer for the TCDD staff to continue working hard towards realization of TCDD goals and objectives.

It is in this context that having learned from the previous year, we now present the 2012 Annual Report and the consolidated audited accounts in a more systematic manner reporting to our Steering Committee, Annual General Meeting (AGM) and the public in general the activities implemented and the funds spend the entire financial year.

It is our hope that the reader of this report will find it useful and learn some lessons from TCDD interventions towards realizing a better Tanzania for all of us.



Hebron Mwakagenda
Executive Director

INTRODUCTION

Background

The Tanzania Coalition on Debt and Development (TCDD), is a Coalition of Civil Society Organization (CSOs) in Tanzania that has dedicated to undertake various lobbying and advocacy activities towards debt cancellation/relief, poverty eradication and sustainable human development. The Coalition was launched in the year 1998, but came to be officially registered as a Non-governmental organization on 17th December 2007, under the NGO Act No.24 of 2002 with registration No.00NGO/0260.

Vision

Freedom from an unsustainable debt burden and abject poverty, characterized by pro-poor people-centered development based on full participation of the people in policy-making, implementation and monitoring from the grassroots to the national level.

Mission

Being a civil society platform, TCDD committed to capacity building and mobilization for lobbying and advocacy for economic justice and pro-poor development. TCDD seeks to campaign for sustainable and domestic official debt and effective civil society involvement in the formulation and implementation monitoring of government policies that impact upon the lives of poor people.

TCDD is an open Coalition of Civil Society Organization, which provides a forum to a wide range of CSOs to participate and engage in the on-going national and international dialogue and debate on poverty, policy, debt, Aid and development. This is part of social accountability as a means to achieve good governance and increased public participation for improved public service delivery in Tanzania. Since transparent, inclusive and accountable structures of self governance are key to more equitable distribution of public goods and services among all citizens.

Project Descriptions

The Tanzania Coalition on Debt and Development is currently undertaking Poverty Monitoring and Policy Advocacy, Public Expenditure Tracking Surveys (PETS), conducting debt analysis and advocacy and Local and international Networking. TCDD builds capacity for its members in poverty monitoring and budget tracking skills, lobbying and advocacy.



TCDD members during Training Workshop on Poverty Monitoring and Lobbying Skills at Makambako

PLANNED ACTIVITIES AND ITS IMPLEMENTATION IN 2012

This section gives out a detailed explanation of the project activities which were implemented during 2012. It is a section that tries to elaborate the tracking progress of ongoing projects and is an integral part of project execution.

Training Workshops and Seminars on Poverty Monitoring

TCDD organized and conducted two workshop trainings on Poverty Monitoring and budget tracking skills at Makambako and Dodoma Centres. Makambako Centre gathered a total of 19 participants; Women recorded 9 and 10 Men. Dodoma Centre was attended by 19 participants, 15 Men and 4 Women.

Participants were drawn from Dodoma, Morogoro, Shinyanga, Mara, Singida, Kigoma, Mwanza, Manyara, Tabora, Bukoba and Coastal region. While Makambako Centre participants came from Iringa, Lindi, Mtwara, Ruvuma, Rukwa and Mbeya regions only. Both seminars were held on 13th – 15th February 2012 and 22nd – 24th February 2012 for Makambako and Dodoma Centre respectively.

The two training workshop covered topics around Lobbying and advocacy, policy formulation processes and lobbying and advocacy. Other issues covered were how to use the media in Lobbying and Advocacy and Research Methods.

Steering Committee Meetings

TCDD had four steering committee meetings as follows: 6th January 2012, 25th April 2012, 20th September 2012 and 28th November 2012 at Tanzania Episcopal Conference (TEC), Dar es Salaam. The meetings were attended by Steering Committee Members and chaired by the TCDD Chairperson Fr. Dr Anthony Makunde of Tanzania Episcopal Conference (TEC).

A number of issues were discussed in all meetings among them were discussion over Appointment of the new Executive Director, Activities report, TCDD financial and staff regulations, the review

of TCDD Strategic Plan 2008-2010, the TCDD Constitutional amendments, the approval of new members, proposed the election of one new member of the Steering Committee (up country) replacing the deceased, Bank signatories and the recruitment of the Executive Director.

Annual General Meeting (AGM)

The TCDD Annual General Meeting was held on April 26th, 2012 at Tanzania Episcopal Conference (TEC), Dar es Salaam chaired by Fr. Dr Anthony Makunde of Tanzania Episcopal Conference. The Annual General Meeting discussed and approved the Comprehensive Financial and Narrative report for the year ended on December 2011, also directed all its members to pay its Membership fee and annual subscriptions on time. AGM elected a new Organization (up-country) as a member of the Steering Committee left vacant by CORRECT whereby Kigoma & Ujiji Non-Governmental Network (KIUNGONET) were elected. TCDD Constitutional amendments proposal was also approved by the AGM. The notable amendment is inserting in the constitution that Faith Based Organizations as permanent members and at different times one of them must be the Chairperson of the TCDD. Furthermore the Annual General Meeting endorsed the activity plan for the year 2012.

Strategic Planning Workshop



Participants in a group during the Strategic Planning Workshop discussion

TCDD organized two days Strategic Planning Workshop which took place at Tanzania Episcopal Conference (TEC), Kurasini - Dar es Salaam from 19th to 20th July 2012. This was the initial stage towards the preparation of new five (5) years strategic plan which will be for 2013 to 2017. The workshop was officially opened by Fr. Dr Anthony Makunde – Chairman of the TCDD of Tanzania Episcopal Conference (TEC). The planning workshop involved TCDD Secretariat and Members of the Steering Committee who made the total of 17 participants.

Mainly the workshop aimed at sensitizing key TCDD stakeholders to participate fully in the whole process of planning and thereafter implementation as well as monitoring the specific objectives like; familiarize stakeholders with TCDD and its programs, including review of the just ended Strategic Plan (2008-2010), critical review and thinking around important issues regarding growth, expansion and sustainability of TCDD, enable the Strategic Plan consultation to build on the participants inputs to come up with the strategic plan as well as make participatory agreement on critical strategic issues and come up with key strategic objectives and a list of necessary intervention with suggested performance.

Planning, Monitoring and Evaluation workshop (PM&E)

TCDD organized two days workshop that was conducted at Luther house, Dar es Salaam from 14th to 15th November 2012. The workshop was facilitated by a consultant from EED in collaboration with Local consultants from DESUNE Mwanza. The workshop was attended by TCDD secretariat and members of the Steering Committee. Different topics and subtopics were covered as briefly elaborated the following topics: Theoretical introduction on outcome orientation, effect chain, logical frameworks, outcomes, oriented objectives, indicators and EED requirements. How those requirements work, strengthen outcome and impact orientation, Analysis of the TCDD existing M & E systems, Joint reflection of the EED reporting format, Design of Objectives, Changes in Development context and problem Analysis and Recommendations

Participants During validation Meeting at Tanzania Episcopal Conference (TEC) November 2012



Validation Meeting for Research on Tanzania's Domestic Debt

TCDD in collaboration with AFRODAD from Zimbabwe conducted a validation meeting on Tanzania Domestic Debt that was held at Tanzania Episcopal Conference (TEC) on 28th November 2012, following a desk research on Tanzania's domestic debt. The opening remarks of the meeting were made by Mr. Mwakagenda and Fr. Dr Anthony Makunde, Chairperson of TCDD.



Facilitator from AFRODAD, Mr. Dakarayi Matanga carried on meeting Objectives, also shared preliminary findings to local stakeholders and facilitated debate on future actions of stakeholders on the topic. The research methodology for the research was explained as well as limitations in sourcing information for the study. Development in Domestic Debt in Tanzania was conducted by Nyasha Mundiit, AFRODAD and the impact of domestic debt on the economy was enhanced by Mr Martin Kilimba from Bank of Tanzania (BOT). The meeting was attended by TCDD Secretariat, Members of the Steering Committee and other stakeholders.

Public Expenditure Tracking Survey/System (PETS)

The Tanzania Coalition on Debt and Development (TCDD) in Collaboration with Norwegian Church Aid (T) as partners had conducted training workshop to develop the capacity of Religious leaders to Establish Public Expenditure Tracking System (PETS) at grass root level among interfaith groupings at different districts such as Kilindi, Same, Geita, Bahi and Kasulu.

The contract between Norwegian Church Aid (NCA) and Tanzania Coalition on Debt and Development (TCDD) as resource partner was officially signed on 22nd May 2012 to conduct training workshop on PETS at grass root level among interfaith districts such as Kilindi, Same, Geita, Bahi and Kasulu.

TCDD conducted trainings, coaching and mentoring at different districts as a means of building capacity to local communities at grass root level to demand transparency and accountability from their leaders. The targeted groups for the training were the new selected PETS committees from different districts such as VEO, WEO, villages and ward persons who did not imparted with the PETS knowledge although some of them had already started to undertake PETS in their respective areas targeting to build a common understanding (harmonization) of PETS stakeholders at districts level to work in unity as well as to build the basic understanding of

PETS to the new selected PETS committees. This incorporated the village and wards officers on one hand and the PETS Committees which represented the citizens on other hand.

Training, coaching and mentoring was carried successfully by TCDD as table 1 shows bellow

District	Date	Organization
Kilindi	25th – 29 June	Bakwata
Same	8th – 12th Oct.	CCT
Geita	22nd – 26th Oct.	CCT
Bahi	5th – 9th Nov.	CCT
Kasulu	15th – 19th Nov	TEC

Different topics were covered being 'The understanding of Government Development Planning and its Budget (at ward and village level) which aimed at creating awareness to people on how the government programs should focus the real community needs and how the spending process should be as per community priorities.

Kilindi

Kilindi district is a BAKWATA project area, where the training, coaching and mentoring session was organized from 25th to 29th June, 2012. Two PETS committees were targeted by this training, coaching and mentoring since these groups had been trained earlier but had not started implementing PETS in their respective two wards of Kikunde and Lwande. Therefore there were a need for re-training, coaching and mentoring the two groups for them to start implementing PETS in their respective villages. About 40 participants took part in these two sessions.

Geita

The training Workshop on PETS was conducted for five days from 22nd – 26th October 2012 at Anglican Church of Tanzania. The targeted groups for trainings were selected PETS committees of Geita with the focus to introduce them the concept of PETS, the knowledge which would help them to awareness and understanding of PETS and to enhance their willingness to participate into the PETS process by playing their watchdog role. About 30 participants took part in this session. About 30 Participants of PETS committees from Bung'wangoko, Kasamwa, Chabulongo, Kalangara, Mugusu, Kasamwa, Katoro and Mtakuja wards were trained to conduct tracking activities in there respective areas.

Kasulu

TCDD had also conducted five days training workshop aimed to improve skills and techniques of PETS committee's members for tracking Public budget at district level (wards and villages) which would in turn enhance accountability and transparency in public service delivery. The activity took place from 15th – 19th October, 2012. Kasulu district is a project area for Tanzania Episcopal Conference (TEC) covering 10 wards of Kitagata, Munanila, Kasulu, mjini, Kwaga, Mwayaya, Kigondo, Musambala, Mulufiti, Muhunga and Muyegelela.

The training on PETS in Kasulu district conducted in three sessions as compared to other areas. On 15th/10/2012 training on PETS had conducted to seven (7) government district officials while from 16th to 18th October 2012 training took place to 34 members of Kasulu PETS committees from 10 wards and 13 villages, and 19th October, 2012 happened to 30 participants from Kasulu district interfaith groups. All three (3) training sessions was held at Mwilamvya catholic Pastoral Centre in Kasulu and covered essential knowledge and skills on PETS so that all groups would be aware and play its part during the tracking processes.

Same

Bahi and Same are the project areas for Christian council of Tanzania (CCT), Same district covering five wards of Njoro, Vuje, Mwembe, Bombo, and Kirangare, The workshop took place at Same Amani Lutheran Centre from 8th to 12th October involving 35 participants from five wards.

Bahi

Bahi district was the last district for 2012 and it took place from 5th to 9th November 2012 and 30 participants from 9 wards took place in one training session held at Anglican Church covers nine(9) wards of Bahi, Ibihwa, Mpamantwa, Chipanga, Mtita, Mpalanga, Chikola, Chibelela and Mundemu

The training seminar on PETS was conducted for five days, the targeted groups to be trained was the new selected PETS committees of BAHI who did not imparted with the PETS knowledge although they had started to undertake PETS in their respective areas. PETS committees from Bahi, Ibihwa, Mpamantwa, Chipanga, Mtita, Mpalanga, Chikola, Chibelela and Mundemu were trained.

Challenges

Local leaders complained that PETS team posed themselves as auditors and in some incidences as police and also that PETS team was conducting tracking based on victimization of some village leaders as a means of revenge for whatever conflict existed. One of the challenges related to the training is most of the participants have very low knowledge about even common issues related to the training modules.

Other challenges are Removal of leaders, Unavailability of some leaders when the committees visits for tracking public funds, Inaccessible public financial information, Low level of understanding between and among the committee members and the community at large, Unavailability of facilitation funds, Fear between the committee members, Lack of integrity and ethical behavior amongst some of the community members and Lack of knowledge that lead to poor cooperation between local leaders with Village PETS committees.

Lesson Learnt

The public officials Village Executive Officers, Ward Executive Officers, village and Chairpersons believed that PETS committees were used by the opposition politicians to challenge them and been seen to society as hopeless and corrupt leaders. Because of this, these officials were hostile to PETS committees since they considered them as their are political enemies.

The way forward

In other coming trainings, TCDD to continue building PETS skills to both local government officials and PETS committee together. This will set for a better chance for making PETS to go forward. At the end of the discussion it was agreed that each PETS team should choose a project to track using the knowledge they had acquired.

LOCAL AND INTERNATIONAL NETWORKING

TCDD continued to network with local as well as international organization as members and partners in various programs and organizations. TCDD attended one Joint Planning Workshop organized by DESUNE for EED Partners in Tanzania which was held at Bagamoyo. In collaboration with other partners TCDD has been in a frontline towards the reviving of National Council of NGOs (NACONGO).

TCDD continued to collaborate with other International Partners like AFRODAD (Zimbabwe) and Reality of Aid (ROA), Kenya. TCDD has continued to network with other local NGOs like Policy Forum, TGNP, TANGO, Jukwaa la Katiba Tanzania and Norwegian Church Aid (NCA) Tanzania.

TCDD Executive Director Mr. Hebron Mwakagenda and Honorable Zitto Zuberi Kabwe (MP) attended an international conference on extractive industries held in Malawi from 6th to 8th December 2012 which was organized by AFRODAD.

CONCLUSION

TCDD believe that with an increased emphasis on social accountability, given its role in facilitating civic engagement aimed towards improving the living conditions of the poor people, local government authorities need to serious address the problem of poor education and health infrastructures, poor working conditions for staffs, school dropout, pregnancy, poor health services delivery as had been the case in other areas. Information re-packaging and dissemination among all stakeholders of development is pre-requisite for enhanced collaboration and networking as a means of forging a strategic alliance for social service delivery in Tanzania.

Audited Financial Statements

For the year ended 31st December, 2012

AGGRESSIVE FINANCIAL CONSULTANTS
CERTIFIED PUBLIC ACCOUNTANTS,
P.O BOX 80501, DAR ES SALAAM, TANZANIA

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REPORT OF THE AUDITORS

We have audited the accompanying financial statements of Tanzania Coalition on Debt and Development (TCDD) which comprise the statement of financial position as at 31st December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

STEERING COMMITTEE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Steering Committee of the Coalition is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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.

AUDITOR'S 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 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 auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for 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 give a true and fair view of the state of affairs of Tanzania Coalition on Debt and Development as at 31st December 2012, the results of its operations, the statement in changes in equity and the cash flows for the year then ended, in accordance with the International Financial Reporting Standards.

AGGRESSIVE FINANCIAL CONSULTANTS
Certified Public Accountants



Francis Mayila

FRANCIS MAYILA – CPA (T)
PARTNER

DAR ES SALAAM

DATE: 02.04.2013

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2012

ASSETS	NOTE	31.12.2012 TZS	31.12.2011 TZS
Non Current Assets			
Property and Equipment	3	22,834,462	28,416,430
Current Assets			
Staff Salary Advance		250,000	500,000
Cash and Bank Balances		<u>122,533,234</u>	<u>12,178,887</u>
		<u>122,783,234</u>	<u>12,678,887</u>
TOTAL ASSETS		145,617,696	41,095,317
EQUITY AND LIABILITIES			
Equity:			
EED Capital Grant	4	20,070,400	25,088,000
Accumulated Surplus/(Deficit)		<u>3,856,551</u>	<u>8,794,850</u>
Total Equity:		23,926,951	33,882,850
Liabilities:			
Accrued Salaries		0	3,200,000
EED Project Balance		<u>121,690,745</u>	<u>4,012,467</u>
Total Liabilities		<u>121,690,745</u>	<u>7,212,467</u>
TOTAL EQUITY AND LIABILITIES		145,617,696	41,095,317

Notes 1 to 9 form part of these financial statements. Auditors report on pages 1 and 2.

Francis Mayila

CHAIRPERSON

DATE: 28-03-2013

Francis Mayila

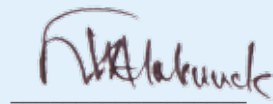
EXECUTIVE DIRECTOR

TANZANIA COALITION ON DEBT AND DEVELOPMENT
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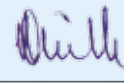
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2012

	NOTE	2012 TZS	2011 TZS
INCOME			
EED Revenue Grant		165,688,672	156,728,200
Consultancy Fee Income (NCA)		10,499,984	26,534,000
Other Income (Members Contribution)		3,050,000	2,050,000
Amortization of Investment Grant		5,017,600	6,272,000
Total Income		184,256,256	191,584,200
EXPENDITURE			
EED Project Programme Costs		108,474,467	130,091,333
Administrative Operating Expenses		75,138,119	58,861,285
Depreciation		5,581,969	6,973,495
Total Expenditure		189,194,555	195,926,113
Surplus/(deficit) for the Year		(4,938,299)	(4,341,913)

Notes 1 to 9 form part of these financial statements. Auditors report on pages 1 and 2.



CHAIRPERSON

DATE: 28-03-2013


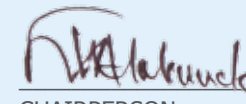
EXECUTIVE DIRECTOR

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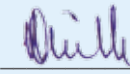
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2012

Particulars	Accumulated Surplus	Investment Grant	Total
	TZS	TZS	TZS
Financial year 2011			
Balance as at 01.01.2011	13,136,763	31,360,000	44,496,763
Surplus/(Deficit) for the Year	(4,341,913)	-	(4,341,913)
Investment Grant Amortised	-	(6,272,000)	(6,272,000)
Balance as at 31.12.2011	8,794,850	25,088,000	33,882,850
Financial Year 2012			
Balance as at 01.01.2012	8,794,850	25,088,000	33,882,850
Surplus/(Deficit) for the year	(4,938,299)	-	(4,938,299)
Investment Grant Amortised	-	(5,017,600)	(5,017,600)
Balance as at 31.12.2012	3,856,551	20,070,400	23,926,951

Notes 1 to 9 form part of these financial statements. Auditors report on pages 1 and 2.



CHAIRPERSON

DATE: 28-03-2013


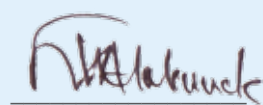
EXECUTIVE DIRECTOR

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2012

	NOTE	2012 TZS	2011 TZS
CASH FLOWS FROM OPERATING ACTIVITIES			
EED Revenue Grant Received		165,688,672	156,728,200
NCA Revenue Grant Received		10,499,984	26,534,000
Other receipts-Members fee received		3,050,000	2,050,000
Payments for EED-TCDD Project Costs		(108,474,467)	(130,091,333)
Payments for Office Operating Expenses		(75,138,119)	(56,161,285)
Change in EED Project Balance		114,728,279	4,012,467
Net Cash Generated from/(Used in) Operating Activities [A]		110,354,799	3,072,049
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property and Equipment		0	0
Net Cash Generated from/(Used in) Investing Activities [B]		0	0
CASH FLOWS FROM FINANCING ACTIVITIES			
EED Capital Grant Received		0	0
Net Cash Generated from/(Used in) Investing Activities [C]		0	0
Net Increase/(Decrease) in Cash and Cash Equivalents [A + B + C]		110,354,799	3,072,049
Cash and Cash Equivalents at the Beginning of the Year		12,178,887	9,106,838
Cash and Cash Equivalents at the Year End		122,533,676	12,178,887

Notes 1 to 9 form part of these financial statements. Auditors report on pages 1 and 2.



CHAIRPERSON

DATE: 28-03-2013



EXECUTIVE DIRECTOR

TANZANIA COALITION ON DEBT AND DEVELOPMENT
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DAR ES SALAAM - TANZANIA

NOTES TO THE ACCOUNTS

BACKGROUND OF THE ACCOUNTING ENTITY

The Tanzania Coalition on Debt and Development (TCDD) is a Coalition of Civil Society Organizations (CSOs) in Tanzania that has dedicated itself to undertake various lobbying and advocacy activities on policy, budget, debt cancellation/relief, poverty eradication and suitable human development.

TCDD was launched as a loose coalition in 1998; it was officially registered as a Non-Governmental Organization on 17th December, 2007 with a Registration No.00NGO/0260 under the Non-Governmental Act No. 24 of 2002.

PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

These financial statements of TCDD have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention. No adjustments have been made for inflationary factors affecting the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Coalition accounting policies.

Property, Plant and Equipment and Depreciation

Property plant and equipment are initially recorded at historical cost which includes expenditure that is directly attributable to the acquisition of the items. They are subsequently stated in the financial statements at cost amounts less subsequent depreciation.

Subsequent costs are included in the assets carrying amounts only when it is probable that the future economic benefit associated with the item can be measured reliably. All other repairs and maintenance are charges to the income statement during the financial period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated on the reducing balance method to write off the cost/valuation of the assets over their estimated useful lives.

The annual rates used are as follows:

Asset Category	Rate per Annum
Motor Vehicles	20.0%
Office Furniture and Equipment	12.5%
Computers and Accessories	25.0%

Depreciation is charged on assets from the date when they are ready for use and ceases on the date when the asset is derecognized by the Coalition.

Provision for Impairment of Receivables

Receivables are recognized initially at fair value and subsequently measured at value less provision for bad and doubtful debts. Specific provision is made in the financial statements against receivables considered to be doubtful of recovery

Foreign Currency Translations

Foreign currency transactions are translated into Tanzanian shillings at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities at the year end expressed in foreign currencies are translated into Tanzanian shillings at the rates of exchange ruling at the end of the financial year. The resultant gains/losses on exchange rate translations are dealt with in the statements of comprehensive Income.

NOTES TO THE ACCOUNTS

Cash and Cash Equivalent

Cash and cash equivalent are carried in the balance sheet at face value. For the purpose of cash flow statement, cash and cash equivalent comprise cash in hand and deposits held on call.

Income Recognition

Income of TCDD is accounted for on cash basis.

Expenditure

Expenditures are accounted for on accrual basis. All prepaid expenses are shown as current assets as at the statement of financial position date and all expenses not paid for at the balance sheet date are shown as current liabilities.

Grants

The organization record revenue from unrestricted grants when they are received except amounts received from donor in respect of future years are deferred to the year to which they relate. Operating funds restricted by donor, for a particular operating purpose are deemed to be earned and accounted for as revenue when expenditures are incurred in accordance with the specific restrictions

Provisions

Provisions are recognised when the organization has a present legal or constructive obligation as a result of past events, 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. When the organization expects a provision to be reimbursed, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain.

PROPERTY AND EQUIPMENT

Particulars	Computers and Accessories	Motor Vehicles	Furniture & Equipment	Total
	TZS	TZS	TZS	TZS
Cost/Valuation:				
Balance as 01.01.2012	3,750,000	61,250,000	3,654,000	68,654,000
Additions	-	-	-	-
Cost/Valuation as at 31.12.2012	3,750,000	61,250,000	3,654,000	68,654,000
Depreciation:				
As at 01.01.2012	2,563,477	36,162,000	1,512,092	40,237,569
Charge for the Period	296,631	5,017,600	267,738	5,581,969
Depreciation as at 31.12.2012	2,860,107	41,179,600	1,779,831	45,819,538
Net Book Value as at 31.12.2012	889,893	20,070,400	1,874,169	22,834,462
Net Book Value as at 30.12.2011	1,186,523	25,088,000	2,141,908	28,416,431

CAPITAL INVESTMENT GRANT

NOTES TO THE ACCOUNTS

Capital investment grant represent net book value of a motor vehicle granted by Ms. Evengelischer Entwicklungsdienst (EED) to TCDD during the financial year 2008 as part of their financing commitment for implementing project No. 2007048 titled "PSRP Monitoring and Policy Advocacy in Tanzania" following an agreement of cooperation entered into between the two parties on 30th November, 2007. The cost of the motor vehicle by then was Euro 29,012.28 equivalent to TZS 61,250,000. The value of the motor vehicle was credited to Capital Investment Grant and is being amortised systematically over the economical useful life of the vehicle. The balance of capital investment grant reflected in the books of accounts as at 31st December, 2012 TZS 20,071,000 has been arrived at as follows:

Particulars	2012 TZS	2011 TZS
Opening balance as at 1st January	25,088,000	31,360,000
Less: Amortisation during the year	5,017,600	6,272,000
Balance as at 31st December	20,070,400	25,088,000

EED REVENUE GRANT RECEIVED TZS

Ms Evengelischer Entwicklungsdienst (EED) granted TCDD financial assistance of TZS 283,366,950 during the year as part of its commitment to implementing Project No. 20100370G titled "Poverty Monitoring and Policy Advocacy". Financing of the project is a result of an agreement of cooperation entered into between the two parties dated 23rd February, 2011 in which Ms EED agreed to provide financial assistance of Euro 278,000.00 to cover part of the operational costs of the project as specified in the Agreement of Cooperation (i.e. Letter of Approval) covering a period of three years from 1st January, 2011 to 31st December, 2013.

CORPORATION TAX

TCDD is not for profit organisation; therefore it is not subject to corporation tax. It is however, committed to deduct and remit PAYE from its employee's salaries to the relevant taxing authority (TRA) as required by the Income Tax Act, 2004.

CAPITAL COMMITMENTS

TCDD had no capital commitments as at 31st December, 2012

CONTINGENT LIABILITIES

There were no contingent liabilities as at 31st December, 2012

COMPARATIVE FIGURES

The previous year's figures have been recast and regrouped whenever necessary to make them comparable with current year's figures.



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