

TGT 2015 Funders

- The Gatsby Charitable Foundation of the UK supporting the Cotton and Textile Development
- DFID co-financing the Cotton and Textile Development Programme
- The Zambia Conservation Farming Unit supporting Cotton Conservation Agriculture, a component of the Cotton and Textile Development Programme
- The Cherie Blair Foundation and Comic Relief supporting MKUBWA, the Tanzania Virtual Incubator Programme for women SMEs
- DANIDA supporting the Informal Economy Sector Support Programme
- Ford Foundation supporting Mbogamboga, the Horticulture Women Programme in Zanzibar

We welcome new funders and partners who share our vision and mission so that together we can sustain efforts to alleviate poverty and build a thriving private sector in Tanzania.

Together We Can!

Tanzania Gatsby Trust

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TGT
Tanzania Gatsby Trust
Catalyst for SME and Farmer Development

ANNUAL REPORT & ACCOUNTS 2015



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ABOUT TGT

Tanzania Gatsby Trust establishment in 1992 as a charitable organization under the Trustee's Ordinance has been successfully addressing the critical barriers for wealth creation by the SMEs (Small and Medium Entrepreneurs) and farmers' development through innovative partnership projects and programmes. The focus of TGT has been on enhancing small holder farmers' and SMEs' access to finance, business and technical skills, technology and markets in rural and peri-urban areas in Tanzania. TGT is a leading catalyst for farmers and SMEs Development in Tanzania providing market led solutions to the target group.

Vision

A leading catalyst for SME and farmer development in Tanzania .

Mission

Working in partnerships to transform youth and women SMEs and subsistence farming into global competitive enterprises.

Core Values

TGT cares how results are achieved and therefore adheres to the highest professional and ethical practices in all its activities based on the following principles

(i) Teamwork, partnerships and collaboration:

High performing teams containing appropriate diversity can achieve what individuals alone cannot

(ii) Transparency and accountability:

Transparency in all operations and accountability to all stakeholders (board, staff, clients, partners, community, Government)

(iii) Community and client involvement:

In seeking solutions, we believe in harnessing and nurturing client and community based innovative ideas

(iv) Innovation:

Success requires us to continually strive to produce breakthrough ideas that result in improved solutions to client

(v) Mentoring and Leadership:

TGT believes that everyone has potential that can be unleashed for the good of society



STATEMENT OF THE CHAIRMAN



Mr. Epaineto B. Toroka
Chairman

On behalf of the Board of Trustees, I have the honor and privilege to present our year 2015 Annual Accounts and Report.

I am immensely grateful to my fellow Trustees, Management and Staff of TGT for continued support and cooperation during this financial year which has been full of challenges and together we saw it through. Each one demonstrated highly commendable commitment and diligence. This spirit should be perpetuated for posterity.

Year 2015 was the first year of implementing the current (2015-2019) TGT's Five Years Strategic Plan. Our focus remains working in partnerships to transform youth and women SMEs and subsistence farming into global competitive enterprises. Wealth creation capacity is a fundamental pre-requisite for achievement of all of these.

As a catalyst for SME and farmer development, TGT works in partnership with others to create vibrant and dynamic SME and agricultural sectors, moving towards TGT's vision of an enterprising Tanzania in which prosperity is widely and fairly distributed. TGT's programs implemented during the year worked to create improved profitability and livelihood development for SMEs and farmers, particularly women and youth. Improved profitability and higher incomes in turn generates increased welfare for low-income Tanzanian households, both for the entrepreneurs/farmers that TGT works with, the new workers they may employ and the businesses they support by increasing their purchases of inputs and capital. This helps develop the SMEs and agricultural sectors, creating a base for a vibrant private sector in Tanzania.



We are grateful to our donors and partners who have all along supported our initiatives as indicated in the financial report section i.e.

- The Gatsby Charitable Foundation of UK supporting the Cotton and Textile Development Programme.
- Comic Relief for Funding our MKUBWA Programme in Dar es Salaam and Cherie Blair Foundation for Kibaha.
- DFID for Co-Financing the Tanzania Cotton and Textile Development Programme.
- DANIDA for supporting the IESP (Informal Economy Sector Support Programme) a pilot programme. The major purpose of the programme is to ease access to suitable and secure business premises available to businesses operating in the informal economy in greater Dar es Salaam through a PPP (Public Private Partnership) arrangement.
- Porticus and Ford Foundation for supporting the Horticulture Women Programme whose aim is to change the lives of women through integrated Tourism Value Chain horticulture farming in Zanzibar.

Despite the funding that was received during the year, resource mobilization remains a major challenge in future due to a major decline in financial resources that can adequately be applied to achieve the objectives that the Trust has set.

We continue to appeal and welcome other partners and donors to support our work to enable us fulfill our vision as a catalyst for Farmers and SMEs Development in Tanzania.



Epaineto Toroka

Chairman



TGT BOARD OF TRUSTEES



Mr. Epaineto B. Toroka
Chairman



Dr. Donath Olomi
Vice-Chairman



Mrs. Margareth Chacha



Prof. Cuthbert Kimambo



Ms. Modesta L. Mahiga



Mr. Laurence Cockcroft



Mr. Ali Khalil Mirza



Prof. Burton Mwamila



Eng. Zebadiah Moshi



Mr. Benson Mahenya



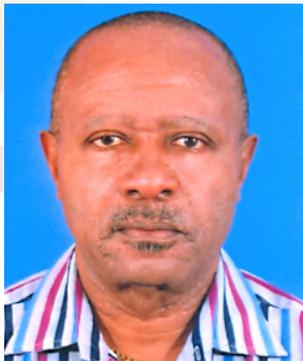
Mrs. Olive D. Luena (CEO)
Secretary to the Board



2015 TGT MANAGEMENT'S REPORT



Mrs. Olive Luena (CEO)
Chief Executive Officer



Mr. Mark Mambo
Deputy Chief Executive Officer

2015 marked the beginning of the implementation of the five-year (2015-2019) Strategic Plan in which TGT pledges that “as a catalyst for farmer and SME development”, to play the role of consultants, implementers and brokers, for the social and economic empowerment of women, families and communities, and establish a model for developing micro-enterprises and profitable farming businesses. TGT’s value chain interventions include the areas of production, value-addition, quality improvement and certification, trade and marketing, functional improvement and human resource. Based on this, the implementation of the five-year strategic objectives of the Plan are geared towards:

- Streamlined and expanded TGT SME (MKUBWA and PPP) programmes
- Improvement of smallholder farmers’ productivity and profitability
- Greater marketing of TGT and our customer value, improved public awareness and positioning of TGT as a champion of women and youth empowerment through SME development
- Stronger organizational, governance and management capacity
- Increased financial resources for scaling up operations and sustainability
- Deeper human resources learning and growth
- Enhanced institutional efficiency and effectiveness

TGT’s programmes work to create improved profitability and livelihood development for SMEs and farmers, which in turn generate increased welfare for low-income Tanzanian households. This includes the entrepreneurs/farmers that TGT works with, the new workers they may employ and the businesses they support, by increasing their purchase of inputs and capital. This helps develop the SMEs and agricultural sectors, creating a base for a vibrant private sector in Tanzania.

Taking full regard of this, the 2015 Action Plan was prepared with a view of laying a foundation for the five-year implementation plan to achieve these outcomes. The SME MKUBWA programme achieved the following on its KRAs:

- Delivery of MKUBWA package to 256 women SMEs in Kibaha and Dar es Salaam.
- End of second year (2014/15) reports to donors for MKUBWA programme were timely submitted and approved and funding for the subsequent year (2015/16) released.
- Promoting the SME/BDS Unit and selling MKUBWA package to individuals and organizations as a paid service was made to the oil and gas companies in Mtwara and Lindi and the Barclays Bank.
- The Management team identified donors that fit in with TGT objectives, designed and developed proposals to solicit funding for future projects.
- Implementation of the e-mentoring programme was very successful. The first graduation of 25 mentees took place on 28th August 2015 and 13 more mentees are enrolled in the current 2015/2016 Master Class (30% more than the expected number of 10).

The improvement of smallholder farmers' productivity and profitability was mainly through two programmes.

- (i) The Zanzibar Mbogamboga project whose objective is to change the lives of smallholder farmers through integrated horticulture farming and value addition to enable them to benefit from the Tourism Value Chain in Zanzibar and improve livelihoods of the women participating in the project. TGT was able to raise USD 250,000 for Mbogamboga project and 1,500 smallholder farmers were reached and received the complete small holder farmers' development package and 46 benefited from the BELKIN Microfinance fund with a total of Tshs 46 million maintaining a loan repayment of 100%.
- (ii) On Tanzania mainland, TGT continued to render the requisite management services for the smooth operation of the Cotton and Textile Development Programme. During the year, Lord David Sainsbury visited the Programme and met with different stakeholders and was awarded the Honorary Degree of Science by the University of Dar es Salaam. Several expatriates and Tanzanians were recruited for the programme including the Textile Development Unit which operates within the Ministry of Industries and Trade. The total number of TGT employees has reached 57 out of which 9 are expatriates. The Cotton and Textile Programme finished the year with the closure of PAMBANET, an online communication tool that was developed for use by stakeholders in the Cotton Sector but has proved not to be a sustainable approach.
- (iii) Enhancing the image and visibility of TGT was also one of the areas of focus during the year. The Management in collaboration with consultants prepared some tools for marketing TGT, improvement of public awareness and positioning of TGT as a catalyst of Farmer and SME development. The TGT Capability Statement, the revised Communication Strategy and the Website presentation are testimony to the laudable outcomes thereof. In adherence to good governance, the Board and Committees met as required and guided the organizational operational effectiveness ensuring timely reporting, auditing and the publication of the Annual Report and Audited Accounts.



The revised manuals for the Human Resource Policy, Financial Regulations and Procurement Policies were tabled and approved by the Board thus enhancing TGT's institutional efficiency and effectiveness.

TGT Management team and staff are the backbone of TGT operational results thus building their capacity is crucial. As part of the Management capacity building, learning and growth, the BDS/SME Manager was exposed to a leadership training programme which was sponsored by EXXON Mobil in South Africa, while also pursuing her Master's Degree part time studies partly financed by TGT. Two officers (Zanzibar Branch Officer and the Training and Marketing Officer) attended courses in Monitoring and Evaluation in Nairobi and Philippines partly financed by Ford Foundation. The Administrative Officer attended an ICT course while the professional finance staff attended NBAA statutory seminars. The TGT Management is happy to present the detailed 2015 Report.



MKUBWA-Tanzania Visual Business Incubator Programme

Tanzania Visual Business Incubator (TVBI) is a project that offers a comprehensive package of services designed to support, facilitate and accelerate the growth of businesses. The entrepreneurs continue with their business activities at their premises, while being trained, coached and mentored. Tanzania Gatsby Trust (TGT) implemented the TVBI-MKUBWA programme which targeted 256 women entrepreneurs (78 from Kibaha and 178 from Dar es Salaam). In the third year of the Programme implementation (March 2015 - February 2016), the focus was on provision of business development services to women entrepreneurs who deal with higher growth potential sectors namely Textile & Tailoring (including Batik making), handcraft, Food & Soap Processing and Poultry Keeping. The objective was to provide hands on training, advanced business development services i.e. Business counseling, individual coaching and mentoring (at enterprise level and online), women linkages to business and market networks, linkages to Tanzania Regulatory Authorities (TRA), financial service providers (including banks, microfinance institutions and mobile financial transactions) and sector-specific product design and development.

Performance/ achievements of MKUBWA Programme for year 2015

Highlight of the project achievements:

- 60% of women entrepreneurs had experienced increase in profit since they joined MKUBWA Programme
- 60% of women have formalized businesses and therefore comply with Tanzania business regulations (licensing, premises, and payment of taxes)

- 72.3% of women confirmed that they have started saving, and 100% confirmed that they keep records for their business
- 45% of women entrepreneurs have procured business assets including machineries, land, business premises etc
- More than 450 women have become aware of their own abilities in various spheres within their communities, and for some, the project participation has led to new engagements in leadership positions
- 77% of the women have improved their decision making process, social networking, confidence and control of their income.
- 69% of women have developed new product lines with new touch in both local and international markets



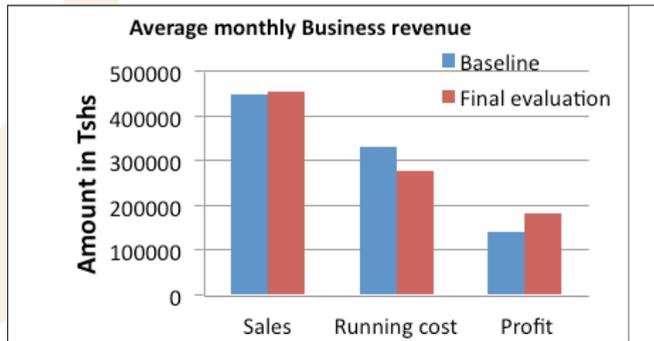
Mrs. Wanke Kinyau
SMEs BDS Manager



Progress on Outcomes

i. **Business Revenue/turnover increased on average by at least 20%**

The project beneficiaries increased average sales from Tzs 449,970 to Tzs 456,037. The average running cost decreased from Tzs 332,173 to Tzs 278,897 per month which is equivalent to 16% decrease while the average profit increased from Tzs 142,458 to Tzs 183,212 equivalent to 28.6% as shown in the Figure below.



During the evaluation Tatu said, “Thanks to MKUBWA project as it empowered me on record keeping skills which I didn’t have before. I can now keep my records well and see the profits obtained from my business. I can separate personal and business income.

ii. **Sector networks established**

The number of women who joined sector specific networks increased from 107 during baseline survey to 139 during mid term evaluation within existing network which is equivalent to 30% increase. However, women entrepreneurs have established their new sector networks under MKUBWA program-Batik, Soap and Poultry.

iii. **Product/service competitiveness improved and access to markets enhanced**

- 173 women entrepreneurs acknowledged that the quality of their products has improved which resulted in higher sales during the MKUBWA exhibitions in December 2015.

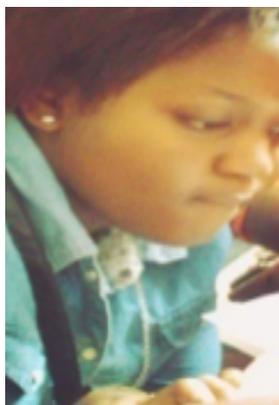


MKUBWA Women displaying their products during the exhibition in December 2015

- Presentation of samples of beads accessories tie and dye products and shopping bags at the textile gallery exhibition in Barcelona 2016.
- As a result women in tie and dye have received an order of making 72 pieces of clothes for international market and 7 women from the beading sector to make 46 pieces of beads for cloth decoration

iv. **Increase of household income**

The women entrepreneurs are now capable of supporting their children/dependents' education; they contribute to household income for better housing, diet and access to health services. Women have power on economic resources and its usage for betterment of the family.



“Mom has been able to pay my college fee for the first semester through the money obtained from her business. She is now capable of buying us healthy food, good clothes and solving most our family problems without depending so much on our father” – Eunice George (Neema George Mafuti’s daughter)

v) **Improved decision making, confidence and control over income**

Women provided feedback that they have been empowered by the programme both within the families and communities. Decision making has been improved as one woman said *“I now have increased respect in the community, improved my say in the family - I am now more involved in decisions concerning my household and family.”*

3. **E-Mentoring programme**

E-mentoring is a means of providing a guided mentoring relationship using online software or email. By combining mentoring with technology, the E-Mentoring programme is pioneering a new way of supporting women entrepreneurs of which 32 women from Tanzania were connected via TGT have benefited from the service and have developed

confidence, new networks, and cultivated positive attitude in enterprises development. Moreover on 28/9/2015 –TGT hosted a mentees and mentors get together event when 25 mentees graduated and were awarded with certificates from Cherie Blair Foundation for Women.

4. **Lessons learnt during the project implementation**

Women entrepreneurs were sensitized to form/join business sectoral networks, for easy access of financial services, information on markets and other opportunities, as a result four sector networks have been established including batik making, food processors, poultry keepers and soap processors. Sector networks promote enterprise development and enhance innovation and growth. TGT has put more emphasis on group/network creation to ease access to new business opportunities, marketing opportunities and information, access to raw material and capital. There is an opportunity and demand for organic products, further exploration on women's capacity need to be carried out to assist entering this arena.



Zanzibar Mbogamboga – Horticulture Project Report



Mrs. Teddy Kunulilo
**TGT Zanzibar
Coordinator**

The objective of the Mbogamboga/ Horticulture project is to change the lives of smallholder farmers through integrated horticulture farming and value addition to enable them to benefit from the Tourism Value Chain in Zanzibar and improve livelihoods of the women within the Mbogamboga project. Overall, the project showed that best practice agronomy and access to irrigation are essential in order to enable a regular supply of produce to target hotels and communities, particularly in the dry season. Farmers who adopt good agronomy practices can increase incomes through taking loans to irrigate their land and enable them to participate in higher return markets and transform agriculture from subsistence farming to small-scale commercial farming and increase profits through value addition. In order for the farmers to respond to market opportunities, the horticulture project for year 2015 targeted to train 1,000 farmers on Good Agricultural Practices (GAP) in vegetables and 500 farmers in fruits. The training focused on:

- (a) Crop management (spacing, weeding, organic fertilizer applications);
- (b) Irrigation methods and soil conservation;
- (c) Pest and disease management (botanic pesticides);

- (d) Top dressing applications and pruning process for fruits;
- (e) Hot water treatment for controlling banana nematode disease;
- (f) Height control and paring practices.

Taking into consideration the needs of smallholder farmers to capture and benefit from the tourism value chain, the project focuses on:

- Strengthening production capacity of existing smallholder farmer groups to graduate from micro to small-scale commercial enterprises;
- Enhancing skills and knowledge of farmers on how to access markets and setting up collection centers for value chain actors;
- Working with local partners to promote smallholder farmers' access business training and services;
- Linking farmers to TGT Belkin Fund to enable them secure loans for orders at hand from hotels;
- Continuing to build skills of the farmers in value addition and food processing technologies including vegetables and fruits solar dryers.

Outcome of the Project

- (a) 600 farmers are capable of working with Business Development Experts to prepare business plans for financing;
- (b) 100 Farmers accessed loan from TGT Belkin Fund worth 48.6 million to increase their working capital;
- (c) 12 hotels are buying vegetables from farmer groups hence average volume of sales increased from 1.5 million to 6.5 million per month;
- (d) 750 women farmers are turning subsistence vegetable farming into profitable businesses;
- (e) 45 Vegetable value chain actors are collecting/ordering fresh vegetables direct from farmers;
- (f) 850 farmers have increased their incomes due to best farming practices.

Success Stories



Batini Farmers Group

We started farming activities as a group of 20 members in 2014, in order to benefit from the training on farming technology offered by TGT.

Through vegetable farming we have managed to sell fresh vegetables in our local community worth Tshs.450,000 and open group bank account. We are happy that through TGT's initiatives of training farmers in marketing, our group secured an order from one tourist hotel to supply 100 bunches of Chinese cabbage and 100 bunches of Amaranthus every three days for a period of two months. In the two months the group increased their income from Tshs 450,000 to Tshs 1,200,000.

Our future plan is to take a loan from TGT Belkin Fund for drip irrigations to transition from subsistence farming to a small scale commercial enterprises.

We thank TGT for supporting the Batini Farmers Group

in vegetable farming. We are now able to work together as a team, share ideas and assist each other.



Success Stories

Mwajuma Bakari from Pemba

After receiving training in vegetable farming, I took a loan of Tshs. 500,000 from TGT Belkin Fund, to increase my working capital. I invested in hybrid seeds for watermelons. I harvested 2,000 watermelons and sold each for about Tshs. 2,000. Prior to the training, I farmed on the same plot of 250 square meters the harvest was 1500 watermelons sold at Tsh 1,200 each due to difference in quality.

The training has equipped me with best agricultural practices which has produced good quality of watermelon. My income is now Tsh 4 million up from Tsh 1.8 million. I have paid back my loan and was able to pay school fees for my children. My standard of living has improved and my children are becoming healthier. I am happy and my future plan is to increase the area of farming with other type of vegetables to earn more income.



Umbuji Farmers Group

5 years ago we started planting vegetables using traditional farming practices as a group of 5 members. We later increased the membership to 20 people. We received training on best agricultural practices from TGT. The training was in horticulture production which included the preparation of ridges, spacing between vegetables, use of organic manure and pesticides.

The knowledge we acquired increased our yield and improved the quality of our crops attracting many customers. Our training also enabled us to have good relationship with our customers as they collect vegetables from the field. We sell our vegetables in our community and neighboring markets.

We thank TGT for the knowledge on good farming technology and financial support that empowered us to own land, acquire assets and improve the standard of living.



The Informal Economy Sector Support Programme

Since November, 2011 Tanzania Gatsby Trust (TGT) has been managing DANIDA's funds and supervising the implementation of the Informal Economy Sector Initiative (IESI) Programme. The purpose of IESI is to show how Public-Private-Partnership (PPP) can ease the access to suitable and secure business premises to businesses operating in the informal economy in greater Dar es Salaam. Under IESI programme, Kinondoni Municipal Council (KMC)—representing public interest VIBINDO Society as a body of beneficiaries (traders operating in the informal sector) have come together to construct Mburahati Market.

In the last annual report for the year 2014, we reported on the auditing of VIBINDO Society, conclusion of the tendering procedures for selection of the contractor, and successful approval to secure extra funding from TIB Development Bank. During the year 2015 the project has gone further to accomplish more activities.

TGT began the year 2015 by supporting KMC to realize the requirements of the credit offer letter from the Board of Governors (BOG) of TIB Development Bank. The entry of the bank changed the project financing structure as follows:

- TZS 996,388,000 - (54%) as a debt from TIB Development Bank accounted on Kinondoni Municipal Council who is the official borrower
- TZS 881,289,000 - (46%) as

equity from project promoters. To enhance financial viability, DANIDA supported VIBINDO Society with TZS 700,000,000 as part of the equity.

Mburahati Market Project has been registered as a business under Ordinance (CAP. 213) at the Business Registration and Licensing Authority (BRELA). The registration was followed by the opening of a designated joint account at TIB Development Bank Samora Branch. In order to reach the financial close between TIB Development Bank and KMC a number of conditions were to be met. A list of conditions and requirements fulfilled during the reporting period are as follows:

- Submission of the Kinondoni Municipal Council's resolution accepting the terms and conditions of the loan facility
- Deposit of non-refundable appraisal fee of 1% of the total facility amount (i.e Tshs 9,963,880) and legal documentation fee of Tshs 1,000,000 to the designated project account
- The appointment of the Project Team to include members from all key stakeholders to the Mburahati Market Project
- Ensure relevant permissions and permits including the National Environmental Management Council (NEMC) certificate and Building permit have been collected and submitted to TIB Development Bank.



Mr. Erick Kimasha
IESP Coordinator

The construction of Mburahati Market also commenced during the year under review. Prior to site handing-over, awareness workshop and relocation of traders to temporary sheds was done. By September 2015 the contractor had received 10% as advance payment and started working. In the period under this reporting, the contractor had completed site mobilization and had commenced work on the sub-structure.

The Programme has sustained its support of contract farming which saw a coalition of cotton buyers - UMWAPA production increase by 6% in the Geita region, in the 2014/15 season despite prolonged drought followed by heavy rains and suspected thrips insect infestation which resulted in reduced harvests of 30% in other areas. Following this encouraging experience UMWAPA again invested in the Geita Region for the 2015/2016 season. This season they have experienced challenges of poor seed germination, late delivery and some poor performance of pesticides and opposition from some factions. However, UMWAPA remains committed to contract farming and encouraging the expansion of contract farming to other districts.



Cotton Sector Development Programme (CSDP)



The Cotton Sector Development Programme (CSDP) continues in its objective to raise the income of 360,000 smallholder farmers in the rural Lake Zone of Tanzania by providing support to farmers and the Tanzania Cotton Board (TCB) to increase cotton yields each year.

The Programme, hosted a successful (first) ginner roundtable meeting with some of the industry's leading companies, in which the future of the industry and appetite to invest in further contract farming was discussed. There was strong support for ongoing ginner coalitions and the introduction of a new multi-year competitive concession model. Under a proposed multiple year competitive concession contract farming model ginner would bid for exclusive buying rights to a concession area in exchange for providing inputs and extension services to farmers.

Engagement with local government authorities at regional and district level continues to play an important role in stakeholder engagement with regular summit meetings held in five regions and a number of districts to facilitate dialogue. Most recently there has been significant buy in and interest from Regional and District Commissioners into improving cotton production through contract farming and the promotion of best agricultural practices. CSDP is working and supporting those areas where there is strong local leadership.

In response to ongoing issues problems with the full-scale roll out of improved seed, the programme is supporting Ukiriguru Agricultural Research Institute

(URI) in the production of pre-basic UKM08 seed in order to ensure that there will be sufficient pre-basic seed for further on-farm multiplication in 2016/17 to meet the needs of the entire industry the following season. URI and CSDP are supervising the multiplication process in the URI Nkanziga farm where 143 acres of cotton have been grown with an expectation of a harvest of at least 32 tonnes of pre-basic seed.

The markets development intervention of the program continues to use a market systems approach to build private sector-based supply chains for agricultural inputs. The focus on input suppliers is on crowding-in of the private sector positioned to play a permanent role in the sustainable delivery of inputs to smallholder farmers through Lead Farmer Agents (LFAs). The five partner input supply companies trained 950 LFAs to scale up and stimulate sustainable linkages and access to inputs. The inputs suppliers also erected 26 mobile farm shops where they sold their products to the LFAs after training. 400 LFAs from 10 districts received business training through a business training provider. As this intervention is scaled up consultancy support has been commissioned to use Human centred Design methodologies to provide insights on the interactions of LFAs, lead farmers (LFs) and farmers.

The Conservation Agriculture Regional Programme (CARP) who have in part funded the Conservation Agriculture (CA) intervention part of the programme has this year come to an end. However, the programme continues to emphasize importance of Best Agricultural Practises (BAPs) to cotton farmers in order to improve quality and production. CARP experience of working with CSDP has led to the adoption of a similar approach in all countries they work in the region. CSDP coordinated a cotton BAPs curriculum development workshop in Shinyanga in order to align and seek endorsement for a harmonised curriculum that can be used throughout the Lake Zone.

The programme has also continued to support TCB in briefing select high level government officials on the current state of the sector, challenges and recommendation for progress. There are positive signs from the high level government officials engaged. The programme's approach towards advocacy is through evidence-based arguments pertaining to the industry in reference to Tanzania, drawing on continental and global experience with local relevance.

There has been a lot of interest in the programme, and it continues to be a flagship programme in the Gatsby Charitable Foundation. The programme received visits from Lord David Sainsbury of Turville, the Settlor of the Gatsby Charitable Foundation of UK, Gatsby Trustees and has also hosted and briefed the British High Commissioner to Tanzania and a UK Minister for International Development.

¹UMWAPA stands for "Umoja wa wachambujaji wa pamba" meaning "Coalition of Cotton ginners". This initiative was initially composed of 9 Ginners: Kahama Oil Mills; NIDA Textile Mills; Fresho Investments; Birchard Oil Mill; Kahama Cotton Company Limited KCCL; Afrisian Ginning; Mathayosons; ICK Limited; and Tancrops Agency.





Mr. Stephen Ramsey
TDU Director

Textile Development Unit

The Textile Development Unit (TDU) is a specialist unit, established in 2012, embedded within Tanzania's Ministry of Industry, Trade and Investment (MITI) with the objective of stimulating the textile and apparel industry. It is funded by the Gatsby Charitable Foundation and the UK's Department for International Development. With expertise in technology, management and marketing, the TDU is designed to facilitate supplier relationships, build training capabilities, attract new foreign investors and coordinate policy implementation as well help existing factories to expand volumes, find new markets and improve efficiency. Through this work, the TDU aims to create 100,000 new jobs, to increase production, value addition and exports, in order that the industry produces exports of over \$1billion a year within the next 10-15 years. To achieve these projections, over the past five months the TDU has developed a new strategy, "From Field to Fashion: Development Strategy for Tanzania's Textile and Apparel Industry" which is broken down into six critical interventions to foster long term and sustainable growth:

I. Support the existing industry to service its traditional markets and develop integrated value chains exporting full value apparel products

The diversification of fabric and the improvement of standards are central to Tanzania's attractiveness as an investment destination for garment firms and to its ability to establish a dynamic and competitive cotton to clothing value chain within the

country. In the past year, the Unit has played a strong role in facilitating business linkages within the industry and continues to link small-scale operators to larger industrial players for supply of inputs or demand for outputs. TDU organised a series of seminars on international standards with the Worldwide Responsible Accredited Production (WRAP) body. In addition, the Unit has sourced sample materials from buyers in South Africa to enable the existing textiles firms to assess their capability to produce such fabrics for export.

II. Improve textile and apparel related infrastructure and business climate

In the past year the TDU has worked closely with the Vocational Education Training Authority (VETA) to establish an effective training programme for garment factories. The next step now is to market this facility, to raise demand for the training and, alongside Textiles and Garment Manufacturers Association of Tanzania (TEGAMAT), to lobby to utilise the Skills Development Levy to pay for this training. Beyond training needs, the TDU has been involved in assessing the customs procedures to help inform businesses about the rules and how to manage the categorisation of equipment and other imports. The TDU produced senior level briefings on the power situation and impact for textiles firms; reviewed the general

competitiveness of Tanzania's textiles and apparel business environment; and ran seminars with business leaders and the government to enable open discussion over key challenges. These efforts are crucial to allow both existing firms to thrive, but also to attract investors who compare Tanzania's environment to its neighbours, like Ethiopia.

III. Build Tanzania's reputation as an ethical sourcing destination

This strategic objective has emerged from the recent strategy process, as a crucial aspect for Tanzania to differentiate itself from the pure cost competition that is driving investors to the lowest wage and lowest cost economies with poor labour practices. This area will become a key part of the TDU's work over the coming years, as Tanzania already has very strong labour regulations, pension provision and environmental standards, which, if enforced, provide the basis for international certification. By presenting itself carefully and supporting its firms to attain the standards, Tanzania can reduce the risk to buyers or investors from sourcing or operating there.

IV. Promote targeted FDI with emphasis on strong linkages to Tanzania's textile value chain and compliance with internationally acceptable practice.

Over the past year, there has been a substantial effort to raise Tanzania's profile in the international textile and apparel markets, with numerous articles in trade journals, attendance at multiple trade fairs and direct outreach to many tens of investors. The Unit has successfully identified and brought in substantial numbers of prospective investors, with some particularly strong global buyers with strong international credentials, for instance Vanity Fair Corporation which owns the brands Wrangler, Lee, North Face, among others. The focus for this year is to work with existing private zones

and potential public zones to secure the availability of competitively priced and well-serviced industrial zones. This work will go hand in hand with efforts to improve the regulatory framework for zone operations and the wider business environment, as well as ongoing investment promotion activities.

V. Enhance small-scale textiles industry and fashion/design linkages

In the past year, the TDU undertook a pilot in Tabora to establish a small-scale handloom weaving businesses together with incubation support from Small Industries Development Organisation (SIDO). Following on from this work, the TDU commissioned Match Maker Associates to conduct an evaluation of this pilot and a thorough assessment of the broader opportunities for supporting the growth of the small-scale industry. This assessment has identified a set of activities that will drive growth, raise incomes and provide additional employment. The TDU is designing an intervention to work with the 21,000 people who are self-employed entrepreneurs via supporting clusters of operations and developing both the supply of, and demand for, commercial advisory services for marketing, procurement, management and coordination.

VI. Build the capacity of TEGAMAT and the government to support the future sustainability of the industry

Over the past year, the TDU has been instrumental in driving the registration of TEGAMAT and in getting the first meetings tabled. In collaboration with TEGAMAT, the TDU has run seminars for all industry actors which have supported the private sector's lobbying and dialogue with government. These activities will continue in the next year, with the potential for more explicit technical assistance to TEGAMAT for research and analysis into policy issues for example.



TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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Trust Information

Principal Place of Business

PPF House, 7th Floor,
Samora Avenue/Morogoro Road,
P. O. Box 8695,
Dar es Salaam, Tanzania

Bankers

Standard Chartered Bank Tanzania Limited,
NIC Life House Branch & International House
Branch,
P. O. Box 9011,
Dar Es Salaam, Tanzania

Commercial Bank of Africa Tanzania Limited,
Samora Branch,
P. O. Box 9640,
Dar es Salaam, Tanzania

National Bank of Commerce Limited,
Zanzibar Branch,
P. O. Box 157,
Zanzibar

National Microfinance Bank Limited,
Bank House Branch,
P. O. Box 2653,
Dar Es Salaam, Tanzania

Solicitors

Alex & Samwel Corporate Advisory Services,
4th Floor, Golden Jubilee Towers, Ohio Street,
P. O. Box 11695,
Dar es Salaam, Tanzania

Auditors

Ernst & Young
Certified Public Accountants,
Tanhouse Tower (4th Floor),
34/1 Ursino South,
New Bagamoyo Road,
P. O. Box 2475,
Dar es Salaam, Tanzania



List of Acronyms and Abbreviations

TDU	Textile Development Unit
CTDP	Cotton and Textile Development Programme
FDT	Forestry Development Trust
GCF	Gatsby Charitable Foundation of UK
DFID	Department of Foreign and International Development
CARP	Conservation Agriculture Regional Programme
DANIDA	Dannish International Development Agency
TTBP	Tanzania Tree Biotechnology Project
MKUBWA	Mpangowa Kukuza Ujasiria Mali naBiasharakwaWanawake
TGT	Tanzania Gatsby Trust
SMEs	Small and Medium Enterprises
CEO	Chief Executive Officer
KCMC	Kilimanjaro Christian Medical Centre
VIBINDO	Vikundivya Biashara Ndogondogo (Small Traders' Groups)
FMFC	Fanikiwa Microfinance Company Ltd
KMC	Kinondoni Municipal Council
PPP	Public Private Partnership
TCB	Tanzania Cotton Board
IAAA	International Service for the Acquisition of Agri-biotec Applications
TAFORI	Tanzania Forestry Research Institute
PPF	Parastatal Pension Fund
TVBI	Tanzania Virtual Business Incubator

Trustees' Report

1. Introduction

The Trustees of Tanzania Gatsby Trust (TGT) have the pleasure to submit their report together with the audited financial statements of TGT for the year ended 31 December, 2015 which disclose the state of affairs of the Trust. The audited financial statements are set out on pages 14 to 17.

Incorporation

Tanzania Gatsby Trust is a Charitable Organization established in 1992 under the Trustees' Incorporation Ordinance, Cap 375. TGT is registered both in Tanzania mainland and in Zanzibar in 1997 under the Societies Act no. 6 of 1995.

2. Vision, Mission and Core Values

Vision

A leading catalyst for MSME and farmer development in Tanzania

Mission

Working in partnership to transform youth and women MSMEs and small-holder subsistence farming into globally competitive enterprises

Core Values

- Teamwork, partnerships and collaboration. We believe that high performing teams containing appropriate diversity can achieve what individuals alone cannot.
- Transparency and accountability. Transparency in all operations and accountability to all stakeholders (board, staff, clients, partners, government).
- Community and client involvement. In seeking solutions, we believe in harnessing and nurturing Client and Community based innovative ideas.
- Innovation. Success requires us to continually strive to produce breakthrough ideas that result in improved solutions to clients.
- Mentoring and Leadership. We believe everyone has potential that can be unleashed for the good of society.



4. Principal Activities

The overall aim is poverty alleviation through enabling hundreds of Small and Medium sized Enterprises (SMEs) to carry out productive and profitable enterprises and businesses. TGT is a leading catalyst for SMEs through innovations that make markets work for the poor and improving SME development. As a catalyst for Farmer and SMEs Development, TGT is open to partnerships based on its Vision. The TGT programme activities aim at empowering vulnerable groups and SMEs with entrepreneurial skills and opportunities within a variety of sectors' value chains.

5. TGT's General Performance

The initial Trust Deed establishing the Trust emphasized on TGT offering a combination of financial and non financial services. As a catalyst for farmer and SMEs development the focus of TGT has been on enhancing access to finance, business and technical skills, technology and markets in rural and peri-urban areas in Tanzania. As a result, TGT is now recognized as an effective partner in inclusive private sector development in the country and has been involved in the facilitation of the following services:

- Training and related business support services to enable the SMEs to acquire the requisite skills to operate and manage the enterprises profitably.
- Rural financial deepening through investments in Community banks and providing linkages to microfinance institutions
- Marketing strategies to the entrepreneurs to enable them to access markets for their products both locally and internationally.
- Appropriate technology for productivity to ensure the quality and quantity of products to meet the market demands including packaging.
- Projects management, mainly for its main partner, Gatsby Charitable Foundation of UK.

6. Strategies to Improve Performance

6.1 SMEs Sector

i. MKUBWA – Tanzania Virtual Business Incubator that Promotes Women's Entrepreneurship

The Tanzania Virtual Business Incubator (TVBI)– in Kiswahili –“MKUBWA” MpangowaKukuzaUjasiriamalinaBiasharakwaWanawake’ In English “Program to grow entrepreneurship and women entrepreneurs” (the acronym “MKUBWA” by itself means ‘BIG’ in English). It is supporting growth-oriented micro and small enterprises run by women who wish to improve their current businesses by increasing their firm's productivity, sales, profits, and improving women's control of income, children care and household



wellbeing. The programme is designed with scientific intention of measuring the effectiveness of an 'individualized', flexible business training package that creates change and minimizes the challenges realized by women SMEs versus a more traditional business development services training model.

ii. Sector Project Management

TGT continues to facilitate and manage sector development projects that aim at providing market based solutions to farmers and SMEs through Public Private Partnerships that accelerate the development of a thriving Tanzania Private sector. The Focus is value chain interventions focusing on the following sector.

iii. The Informal Sector Support Programme

The major aim of the initiatives is to ease the access to suitable and secure business premises available to businesses operating in the informal economy in greater Dar es Salaam. The programme is exploring a Public-Private-Partnership (PPP) between Kinondoni Municipal Council (KMC)- representing the Public interests and taking a leading role to facilitate access to secured land, administer Laws and Regulations, and enforcement thereof while the Private Sector is represented by the VIBINDO Society as a body of beneficiaries. TGT has been commissioned to work as an independent Special-Purpose-Vehicle in managing fund, supervising the implementation of activities and independently safeguard the interests of partners and sponsor towards the realization of the programme goal.

6.2 Tanzania Cotton and Textile Development Programme (TCTDP)

TGT is managing the Tanzania Cotton and Textile Development Programme (TCTDP). The Programme

aims to double the yields of Tanzania's 400,000 plus cotton farmers who grow cotton as a cash crop supplying raw cotton to ginners for value addition in the textile and clothing sector. Activities include providing technical assistance to the Tanzania Cotton Board and to the Tanzania Cotton Association. These institutions represent regulatory, investor and farmer interests to help them promote the necessary policy and institutional reforms, provide support to ginners and farmers to ensure that contract farming is managed successfully and in developing public good solutions for the industry, including weather insurance to protect farmers who take loans, and a market database to help manage contract farming in a transparent and fair manner. The TCTDP is also helping Tanzania Cotton Board (TCB) to introduce improved cotton seed and is supporting Ukiriguru Research Institute to improve its research capacity to address new challenges facing the industry. In addition, the programme is promoting Conservation Agriculture among farmers to improve yields through a major Lead Farmer Training Programme (LFTP) and through a range of market development initiatives with input suppliers.

6.3 Forestry

This was one of the largest projects managed by TGT since 2008. The project sought to promote agro forestry in Tanzania so as to increase wood biomass to meet ever-increasing demand and environmental conservation. ISAAA Africentre worked with Tanzania Forestry Research Institute (TAFORI), linking the former to Mondi Forests to jointly develop the technology. Gatsby Charitable Foundation (GCF) of UK provided the initial three years funding directly through TGT and later on through Kilimo Trust. TGT provided project management services, monitoring implementation, chairing project oversight



committee, backstopping TAFORI on business processes and accounting for funds. The Board composed of representatives from TGT, TAFORI, Tanzania Tree Seed Agency, Directorate of Forestry and Beekeeping Division, ISAAA AfriCentre, GCF, Mondi Forests, the private sector and a University.

Phase 1 started with the search for the right technology. The search eventually identified Eucalyptus hybrids as having outstanding performance including maturing within 7–8 years, ideal to match with the increasing demand. The research phase was concluded successfully with establishment of clonal screening and demonstration trials and a nursery at Kwamarukanga in Korogwe. The success heralded Phase Two – Promotion of Commercial Smallholder Forestry: Transfer and application of tree biotechnology in Tanzania. Based on this experience the Forest Development Trust has been incorporated to perpetuate this work now jointly funded by Gatsby Charitable Foundation of UK and the DFID.

6.4 Horticulture Development: The Mbogamboga Women's Programme

The Mbogamboga (Vegetables) Programme aims to change the lives of small holder farmers through integrated horticulture farming and value addition to enable them to benefit from the Tourism Value Chain in Zanzibar. Overall, the programme has shown that best practice agronomy and access to irrigation are essential in order to enable a regular supply of produce, particularly in the dry season to hotels and communities. Farmers who adopt good agronomy practices can increase incomes through taking loans to irrigate their land and enable them to progress from subsistence agriculture to small scale commercial farming and increase their profits through value addition. TGT operates farmers 75 fields schools to achieve these goals and has reached 3000 plus small holder horticulture farmers in the

past three years.

7. Main Source of Finance

The main source of funding for TGT's programs comes from donor agencies. During the year 2015, funding was received from Gatsby Charitable Foundation (GCF), DANIDA, Cherie Blair Foundation, Comic Relief Foundation, Ford Foundation, and other private donors.

8. Donors Willingness to Continue Funding

Tanzania Gatsby Trust is in a strong position with regards to long term funding opportunities. It has longterm donor contract with the Gatsby Charitable Foundation of UK, lasting up to 2018. During 2014, TGT successfully negotiated extensions to Ford Foundation who has been a longterm donor DANIDA has provided funding up to the third quarter of 2015.

9. The Board of Trustees

TGT's Board of Trustees is the highest policy making body and management is the implementing authority. The Board's responsibility includes development of the Trust's strategy and providing oversight of the Trust. Members of the Board of Trustees are highly experienced and committed, all drawn from business, family enterprises and community development backgrounds. The Board has established committees that are operational to effectively help TGT discharge its role. The committees include Governance Committee/Executive Committee; the Projects Oversight Committee and Audit, Finance and Procurement Committee. Members of committees are appointed by the Chairman in consultation with the Governance Committee. At the time of appointment, each Trustee signs a Board of Trustees' Code of Conduct Compliance Form.

During the year under review, the following persons served as Trustees.

Name and Age	Position	Qualification	Appointment
1. Mr E.B. Toroka (70)	Chairman person•	Economist	Reappointed 2014
2. Dr. DonathOlomi (54)	Outgoing Vice Person•	Economist	Retired Dec 2015
3. Mr. L.F. Cockcroft (72)	Trustee••	Economist	Reappointed 2014
4. Mr A.K. Mirza (57)	Trustee•	Economist	Retired Dec 2015
5. Prof. B.L. Mwamila (66)	Trustee•	Engineer	Retired Dec 2015
6. Mrs. M.L. Mahiga (35)	Trustee•	Consultant	Appointed 2012
7. Mrs. M.M. Chacha (59)	Vice Chairperson•	Banker	Appointed 2012
8.Mr. B. Mahenya (47)	Trustee•	Certified Public Accountant	Appointed 2014
9. Prof. C. Z.M. Kimambo (56)	Trustee•	Engineer	Appointed 2015
10. Eng. Z.S Moshi (59)	Trustee•	Engineer	Appointed 2015

• = Tanzanian

•• = British

The Board is required to meet at least four times a year.

10. Key Management Personnel

The key management personnel who served the Trust during the year ended 31 December 2015 were:

Name	Title
Mrs Olive D Luena	Chief Executive Officer
Mr Mark C Mambo	Finance & Admin Manager/Deputy CEO
Mrs Wankembeta S Kinyau	SMEs BDS Manager

11. Trustees' Interest

The Board of Trustees is responsible for the governance of the Trust. In carrying out this public trust, the Trustees bring to the Trust their own varied backgrounds and expertise. Nevertheless,

the Trustees are expected to put aside parochial interests and keep the welfare of the Trust, not just some particular constituency.

None of the Trustees had any conflict of interest with TGT. All Trustees signed a declaration to that effect.

12. Corporate Governance

The responsibility of governance of TGT is vested in a Board of Trustees. The Board of Trustees consists of eight members. Apart from the Chief Executive Officer, no Trustee holds an executive position in the Trust. The Board takes overall responsibility for the Trust, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management, business plans and budgets. The Board is also responsible for ensuring that a



comprehensive system of internal control policies and procedures is operative, and is in compliance with sound corporate governance principles. The Board delegates the day to day management of the business to the Chief Executive Officer assisted by senior management. Senior management is invited to attend Board meetings and facilitates the effective control of all the Trust's operational activities, acting as a medium of communication and coordination between all the various business units.

The Trustees are committed to the principles of good corporate governance and recognise the need to conduct the Trust's operations and activities in accordance with generally accepted best practice.

In so doing the Trustees therefore confirm that:

- The Board of Trustees met regularly throughout the year;
- They retain full and effective control over the Trust and monitor executive management;
- The Board of Trustees accepts and exercises responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- They bring skills and experience from their own spheres of business to complement the professional experience and skills of the management team.

13. Employees

During the year 2015, the number of employees was 59 at the end of the year. (53 staff in 2014).

14. Employees' Welfare

(a) Relationship between management and employees

There was continued good relationship between employees and management for the year ended 31 December 2015. There were no unresolved

complaints received by management from employees during the year.

(b) Staff strength and gender parity

The Trust had 59 employees, out of which 17 were female and 42 were male (2014: Total 53; female 19 and, male 34)

(c) Medical facilities

The Trust meets a pre-determined cost of medical consultation and treatment for all employees and their immediate families under Medical benefits through AAR Medical Insurance Scheme.

(d) Employee benefits

All eligible employees are members of Parastatal Pensions Fund (PPF). The Trust contributes 10% of basic salary of each employee to PPF on behalf of all permanent employees.

15. Employment Opportunities

TGT is an equal opportunity employer. As a charitable organization, TGT endeavours to employ persons with disability whenever there is a vacancy for which they are qualified. Moreover through the MKUBWA Programme TGT offers entrepreneurship training to women with children having disability.

16. Going Concern

The Board of Trustee confirms that TGT has long term contracts with donors and will continue receiving donations from commitments made by donors in the foreseeable future. The Trust is solvent and able to meet its financial commitments and has excess of current assets over the current liabilities.

17. Subsequent Events

There are no events that have occurred subsequent to year end which are either to be disclosed or to

be adjusted in the financial statements and could materially affect the financial statements.

18. Financial Performance

During the year ended 31 December 2015, the Trust's had a deficit of TZS588.8 million financed by funds brought forward from the previous year (In 2014, the Trust had an Excess of Revenue over Expenditure of TZS 262.9 million). The results are set out on the Statement of Financial Performance on page 14 of the financial statements.

19. Financial Position

The statement of financial position is set out on page 15 of the financial statements.

20. Related Party Transactions

There were no related party transactions during the year involving the registered business of the Trust.

21. Political and Charitable Donations

There were no donations made to any political party, but the Trust made a donation of TZS 923,000 towards the Support of costs for 6 Albinism for attending a workshop conference in Arusha

22. Environment Control Programme

TGT contributes to the environmental programme through the provision of support services to the Forestry Development Trust (FDT) and through Conservation Agriculture through Conservation Agriculture in the Tanzania Cotton and Textile Development Programme.

23. Financial Risk Management and Internal Controls

The Board accepts final responsibility for the risk management and internal control systems of the TGT. It is the task of Management to ensure that adequate internal financial and operational

control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:-

- The effectiveness and efficiency of operations.
- The safeguarding of the TGT's assets.
- Compliance with applicable laws and regulations.
- The reliability of accounting records.
- Business sustainability under normal as well as adverse conditions.
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the TGT system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. TGT has in place a Risk Assessment Tool which is part of the best practices governance procedure to enable the Trustees constantly:-

- Identify, characterize, and assess threats that may be facing TGT.
- Assess the vulnerability of TGT's critical assets to specific threats.
- Determine the risk (i.e. the expected consequences of specific types of threats on specific TGT assets.
- Identify ways to reduce those risks.
- Prioritize risk reduction measures.



24. Financial Risk Management and Internal Controls (Continued)

The Board assessed the internal control systems throughout the financial year ended 31 December 2015 and is of the opinion that they met accepted criteria.

The Board does risk and internal control assessment through Audit and Finance Committee.

25. Auditors

The auditors, Ernst & Young, have indicated their willingness to continue in office and are eligible for re-appointment.

This report is approved for issue by the Board of Trustees and signed by:

Title:..... *Egainele B Toroka*
 Name:..... *Chairman*
 Signature:.....
 Date:..... *23/07/2016*

Name:..... *[Signature]*
 Title:..... *TRUSTEE - BENSON MATHENYA*
 Signature:..... *[Signature]*
 Date:..... *23/07/2016*

Statement of Board of Trustees' Responsibilities

The Board of Tanzania Gatsby Trust is required to prepare financial statements for each financial year that give a true and fair view of the organization's financial position and financial performance for the year then ended.

The Board of TGT confirms that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended on 31 December 2015 in accordance with the International Financial Reporting Standards and compliance with constitution establishing a Trust.

The Board of TGT is also responsible for maintaining proper accounting records that may be relied upon, as well as maintains adequate system of internal controls to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

The Board of Trustees further accept responsibility in respect of Financial Statements on accounting policies, keeping proper books of account, maintaining adequate control system and confirmation of accuracy of financial statements.

Nothing has come to the attention of the Board to indicate that the Trust will not remain a going concern for at least the next twelve months from the date of these financial statements.

Title:..... *Egainele B Toroka*
 Name:..... *Chairman*
 Signature:..... *[Signature]*
 Date:..... *23/07/2016*

Name:..... *Benson Mathenya*
 Title:..... *Trustee*
 Signature:..... *[Signature]*
 Date:..... *23/07/2016*



Independent Auditor's Report to the Trustees of Tanzania Gatsby Trust

Report on the Financial Statements

We have audited the accompanying financial statements of Tanzania Gatsby Trust ('the Trust'), set out on pages 15 to 18, which comprise the Statement of financial position as at 31 December 2015, and the statement of financial performance, statement of changes in accumulated surplus and statement of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustee's responsibility for the financial statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal controls as directors determines is necessary to enable the preparation of financial statements that are free from misstatement, whether due to fraud or error.

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 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 considered the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 accompanying financial statements presents fairly, in all material respects, the financial affairs of the initiative as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Certified Public Accountants

Dar es Salaam

Signed by: Neema Kiure-Mssusa

Date: 23 July 2016




Statement of Financial Performance For the Year Ended 31 December 2015

		2015	2014
	Notes	TZS '000	TZS '000
REVENUE			
Project Grants	5	9,133,732	9,214,780
Other Income	6	826,368	415,442
TOTAL REVENUE		9,960,101	9,630,222
EXPENSES			
Staff Costs		2,235,445	2,760,201
Monitoring and Evaluation		2,474,085	1,507,083
Technical Trainings		931,940	1,297,879
Consultancy costs		3,468,343	2,419,499
Depreciation and amortisation		225,257	439,865
Administration Expenses		1,002,567	649,680
Other Administration Expenses		211,305	293,092
TOTAL EXPENSES		10,548,942	9,367,299
SURPLUS (DEFICIT) FOR THE YEAR		(588,841)	262,923

Statement of Financial Position as at 31 December 2015

		2015	2014
	Notes	TZS '000	TZS '000
ASSETS			
Non Current Assets			
Equipment (Project and Non Project)	8	600,055	672,944
		600,055	672,944
Current assets			
Investments	7	45,924	145,924
Endowment	9	-	-
Receivable	10	1	1
Prepayments and other receivables	11	224,816	174,889
Cash and bank balances	12	2,159,925	2,418,402
		2,430,666	2,739,216
TOTAL ASSETS		3,030,721	3,412,160
EQUITY			
Projects' Fixed Assets Fund		635,377	605,087
Belkin Fund		79,180	44,969
Poetry Prize Fund		97,395	104,583
Revaluation Reserve		99,364	99,364
Accumulated Fund		1,879,176	2,468,387
		2,790,492	3,322,390
LIABILITIES			
Current liabilities			
Accruals and other payables	13	240,229	89,770
TOTAL LIABILITIES		240,229	89,770
TOTAL EQUITY AND LIABILITIES		3,030,721	3,412,160



The financial statements were approved for issue by the Board of Trustees on 23/07/2016

and signed on its behalf by:

Name: Epaneto B Tanga
Title: Chairman
Signature: [Signature]

Name: Benson Mahuya
Title: Trustee
Signature: [Signature]

Statement of Cash Flows as at 31 December 2015

		2015	2014
	Notes	TZS '000	TZS '000
Cash flows from operating activities			
Surplus(Deficit) for the year		(588,841)	262,923
Adjustments for non cash items:			
Adjustment in Equity for Opening balance		(370)	-
Depreciation	9	256,399	439,865
		(332,813)	702,788
Cash flows in operating activities			
Decrease/(Increase) in Investment		100,000	(2,586)
Decrease/(Increase) in Endowment		-	1,117,335
Decrease in receivable		-	42,883
Increase in prepayment and other receivables		(49,927)	(156,967)
Decrease in accruals and other payables		150,460	(10,157)

Statement of Cash Flows as at 31 December 2015 *(continued)*

		2015	2014
Gain on disposal of property, plant and equipment		(35,201)	-
Increase in deferred income		-	(79,152)
Net cash flows in operating activities		(167,481)	1,614,144
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		35,200	-
Purchase of property, plant and equipment	8	(183,510)	(299,227)
Net cash flows from investing activities		(148,310)	(299,227)
Cash flows from financing activities			
Increase in Projects' Fixed Assets Fund		30,290	-
Increase in Belkin Fund		34,211	-
Decrease in Poetry Award Fund		(7,188)	-
Net cash flows from financing activities		57,313	-
Net increase in cash and cash equivalents		(258,478)	1,314,917
Cash and cash equivalents			
At the beginning of the year		2,418,402	1,103,485
At the end of the year	12	2,159,924	2,418,402



Statement of Changes in Funds for the Year Ended 31 December 2015

	Project's Fixed Assets Fund	Belkin Fund	Poetry Award Fund	Revaluation Reserve	Accumulated Fund	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Balance as at 1 January 2015	605,087	45,014	104,538	99,364	1,036,021	1,890,024
Adjustment on						
on opening balance	-	(45)	45	-	1,431,996	1,431,996
Additions	30,290	-	-	-		30,290
Donation received	-	23,154	-	-	-	23,154
Interest on loans	-	8,438	-	-	-	8,438
Loans processing fees	-	3,421	-	-	-	3,421
Expenses	-	(350)	(7,188)	-	-	(7,538)
Bank Charges	-	(452)	-	-	-	(452)
Deficity for the year	-	-	-	-	(588,841)	(588,841)
Closing Balance	635,377	79,180	97,395	99,364	1,879,176	2,790,492



Notes to the Financial Statements for the Year Ended 31 December 2015 *(Continued)*

1. Trust Information

The financial statements are of Tanzania Gatsby Trust for the year ended 31 December 2015. It is incorporated under Trustees' Incorporation Ordinance, Cap 375 with certificate issued March 03, 1992.

2. Basis of Preparation

The financial statements are prepared in accordance with International Financial Reporting Standards. (IFRS) and have been prepared on the accrual basis of accounting. The financial statements are presented in Tanzanian Shillings and rounded to the nearest thousands (TZS '000), except when otherwise indicated.

Going concern assumption

TGT is implementing several projects with duration of more than one year. The operations of the Trust largely depend on funds from donors. As at the end of the year, TGT has long term donor contracts with the Gatsby Charitable Foundation of UK and other private foundation donors for the period ending 2014 and up to 2018. During 2014, TGT successfully negotiated extensions to Ford Foundation who have been long term donors; this has secured funding through 2016.

3. Summary of Significant Accounting Policies

a) Revenue

Grant moneys from donors and interest on bank deposits are recognized on receipt basis. Non-Project grants are credited to equity whereas Grants related to revenue expenditure are credited to income statement in the same period in which

the revenue expenditure to which they relate is charged. Project Funds earmarked for the next accounting period following the year of receipt to the extent not utilized are credited to the current liabilities under the deferred income component.

b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks with a maturity of less than three months.

c) Advances, prepaid expenses, deposits and other receivables

Advances, prepaid expenses and deposits consist of funds provided to vendors and employees to meet future obligations. In addition, advances are made to employees to cover travel expenses. Other receivables represent miscellaneous receivables not occurring through grant activity.

d) Provision

Provisions are made when the Trust has a present obligation, as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate for the amount of the obligation can be made for the obligation. Purchase orders raised are provided for as commitments at the end of reporting period.

e) Equipment

TGT capitalizes assets with a cost of US\$300 / TZS500,000 and above. Equipment are recorded at cost less accumulated depreciation and accumulated impairment if any.



Notes to the Financial Statements For the Year Ended 31 December 2015 *(Continued)*

Equipment comprise of furniture, fixtures, computers and motor vehicles. Depreciation is calculated on a straight-line basis, at monthly rates estimated to write off carrying values of the property and equipment over their expected useful lives. The estimated useful lives in years are as follows:

Item	Year
Motor vehicles	5
Equipment	8
Furniture & Fittings	8
Computers	3

In accordance with contractual disposition guidelines, certain equipment acquired for direct use in programs is expensed in the year of acquisition, as disposition is determined by the grantor upon program termination.

f) Foreign currency translation

The functional currency of these financial statements is Tanzanian Shilling. Foreign currency transactions are translated at the exchange rates ruling of transaction date. The aggregate gains or losses from translations to functional currency are included in the statement of financial performance.

Monetary assets and liabilities denominated in foreign currency are translated into TZS using the exchange rate prevailing at the balance sheet date. Exchange differences on Endowment Fund are recognized in the statement of changes in Equity.

g) Taxation

The Trust is exempted from Corporate Tax under

the Income Tax Act of 2004. However, other taxes such as Pay As You Earn, Skills and Development Levy, Withholding tax on services and rent, stamp duty, etc. are not exempted and are paid on time, including filing of Provisional and Final Tax Returns with Tanzania Revenue Authority as required the Income Tax Act, 2014.

h) Employees benefits

Defined contribution

TGT employees are members of state owned pension scheme, the Parastatal Pensions Fund (PPF). The Trust contributes to the scheme 10% of basic salary for each employee, and the employee contributes 10%. The Trust's contributions to the fund are charged to the statement of financial performance in the year to which they relate.

i) Gratuity

The Trust provides gratuity to all its employees upon successful completion of their employment contracts. Gratuity is payable at 25% of earnings during the period of Contract of employment. The gratuity is charged to the statement of Comprehensive Income on accrual basis.

j) Leases

Leases where the Trust does not receive substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental expenses. Contingent rents are recognised

Notes to the Financial Statements

For the Year Ended 31 December 2015 *(Continued)*

as expenses in the period in which they are incurred.

k) Investment Securities (Investment in shares)

The Trust classifies its investment in shares as available for sale investments. These investments are initially carried at cost. After initial recognition, investment in shares are measured at fair value with gain or losses being recognized as separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gains or losses previously reported in equity is included in the Statement of Comprehensive Income. The fair value of these investments is determined using valuation techniques such as recent arm's length market transactions and reference to the current market value of another instrument, which is substantially the same. Dividends on available-for-sale equity instruments are recognized in the statement of comprehensive income when the Trust's right to receive payment is established.

l) Financial Instruments – initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Trust determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair

value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Trust commits to purchase or sell the asset.

The Trust's financial assets include cash and short-term deposits and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follow:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Trust that are not designated as hedging instruments in hedge relationships as defined by IAS 39.

Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance cost in the statement of comprehensive income.



Notes to the Financial Statements For the Year Ended 31 December 2015 *(Continued)*

The Trust has not designated any financial assets upon initial recognition as at fair value through profit or loss.

The Trust evaluated its financial assets at fair value through profit and loss (held for trading) whether the intent to sell them in the near term is still appropriate. When the Trust is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Trust may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired, The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Trust has transferred substantially all the risks and rewards of the asset, or (b) the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Trust's continuing involvement in the asset.

In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Trust could be required to repay.

Impairment of financial assets

The Trust assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial

Notes to the Financial Statements For the Year Ended 31 December 2015 (Continued)

recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments.

Financial assets carried at amortised cost

For financial assets carried at amortised cost the Trust first assesses individually for financial assets that are individually significant whether objective evidence of impairment exists or collectively for financial assets that are not individually significant. If the Trust determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the

loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Trust. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

ii. Financial Liability

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, and loans and borrowings. The Trust determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.



Notes to the Financial Statements For the Year Ended 31 December 2015 (Continued)

The Trust's financial liabilities include trade and other payables, bank overdraft, and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Trust that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at fair value through profit or loss

Gains or losses on liabilities held for trading are recognised in the statement of financial performance. The Trust has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of

revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Useful lives of Equipment and intangible assets

Critical estimates are made by management in determining the useful lives and residual values to equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

Notes to the Financial Statements

For the Year Ended 31 December 2015 *(Continued)*

	2015	2014
	TZS '000	TZS '000
5 Project Grants Financed By:		
Gatsby Charitable Foundation UK	7,690,439	7,771,117
DANIDA	496,422	687,501
Cherie Blair Foundation	183,290	253,000
Comic Relief Foundation	284,467	219,843
Ford Foundation	178,879	161,960
Other grants	300,236	121,359
	9,133,732	9,214,780
6 Other Income		
Reimbursement of Administration Expenses - CTDP/TDU/FDT	489,419	333,320
Reimbursement of Administration Expenses - MKUBWA	-	15,909
Reimbursement of Administration Expenses - HORTICULTURE	23,170	-
Fees for Use of Conference Room	750	1,050
Training Fees from MKUBWA Project	6,450	5,320
Dividend from The Bank of New York (Closure of ShoreCap Investment)	154,528	34,016
Other income	1,001	16,300
Exchange Difference	65,711	(22,346)
Interest on Investment	-	28,425
Interest on bank deposit	50,140	3,448
Sale of motor vehicles	35,201	-
	826,368	415,442



Notes to the Financial Statements For the Year Ended 31 December 2015 (Continued)

7.	Investments		
	Unquoted Shares		
	Fanikiwa Microfinance Co Ltd	2,640,000	2,640,000
	<i>Provision for impairment</i>	(2,640,000)	(2,640,000)
	Discounted Equity FMFC	-	-
	Mwanga Community Bank Ltd	45,924	45,924
	Njombe Community Bank Ltd	100,000	100,000
	<i>Provision for impairment</i>	(100,000)	-
	Discounted Equity NJOCOBA	-	100,000
	Meru Community Bank Ltd	49,000	45,000
	<i>Provision for impairment</i>	(49,000)	(45,000)
	Discounted Equity Meru	-	-
	Tandahimba Community Bank Ltd	20,000	20,000
	<i>Provision for impairment</i>	(20,000)	(20,000)
	Discounted Equity Tandahimba	-	-
	Total Investments	45,924	145,924

Notes to the Financial Statements

For the Year Ended 31 December 2015 (Continued)

	Computers	Motor vehicles	Furniture & fittings	Office Equipment	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
8 Equipment (Non-Projects' Assets)					
31 December 2015					
Cost					
As at 1 January 2015	18,318	97,745	23,942	34,583	174,588
Additions	4,740	-	-	2,100	6,840
As at 31 December 2015	23,058	97,745	23,942	36,683	181,428
Depreciation					
As at 1 January 2015	13,060	62,353	13,648	17,670	106,731
Charge for the year	4,252	19,549	2,357	4,127	30,285
As at 31 December 2015	17,312	81,902	16,005	21,797	137,016
Carrying Value					
As at 31 December 2015	5,746	15,843	7,937	14,887	44,413
31 December 2014					
Cost					
As at 1 January 2014	15,641	97,745	23,942	34,583	171,911
Additions	2,677	-	-	-	2,677
As at 31 December 2014	18,318	97,745	23,942	34,583	174,588
Depreciation					
As at 1 January 2014	10,253	37,917	10,732	13,631	72,533
Charge for the year	2,807	24,436	2,916	4,039	34,198
Disposal	-	-	-	-	-
As at 31 December 2014	13,060	62,353	13,648	17,670	106,731
Carrying Value					
As at 31 December 2014	5,258	35,392	10,294	16,913	67,857



Notes to the Financial Statements For the Year Ended 31 December 2015 (Continued)

		Computers & Office Equipment	Motor vehicles & motor cycles	Furniture & Fittings	Total
		TZS '000	TZS '000	TZS '000	TZS '000
8	Equipment (Non- Projects' Assets)				
	<i>Continued</i>				
	31 December 2015				
	Cost				
	As at 1 January 2015	94,903	1,656,347	80,788	1,832,038
	Additions	18,886	150,792	6,991	176,670
	Disposal	-	(259,992)	-	(259,992)
	As at 31 December 2015	113,789	1,807,139	87,779	2,008,708
	Amortisation				
	As at 1 January 2015	84,550	1,107,478	34,923	1,226,951
	Amortisation for the year	16,648	202,140	7,326	226,114
	Amortisation on disposal	-	(259,992)	-	(259,992)
	As at 31 December 2015	101,198	1,309,618	42,249	1,453,065
	Closing Value				
	As at 31 December 2015	12,591	497,521	45,530	555,643
	31 December 2014				
	Cost				
	As at 1 January 2014	92,887	1,384,975	57,625	1,535,487
	Additions	2,016	271,372	23,163	296,551
	As at 31 December 2014	94,903	1,656,347	80,788	1,832,038
	Amortisation				
	As at 1 January 2014	63,828	752,182	5,274	821,284
	Amortisation for the year	20,722	355,296	29,649	405,667
	As at 31 December 2014	84,550	1,107,478	34,923	1,226,951
	Closing Value				
	As at 31 December 2014	10,353	548,869	45,865	605,087

Notes to the Financial Statements

For the Year Ended 31 December 2015 *(Continued)*

9	Endowment		
	Commercial Bank of Africa (T) Ltd		
	At 1 January	-	403,478
	Additions	-	363,446
	Interest	-	28,342
	Withdrawals	-	(130,000)
	At 31 December	-	665,266
	Total Endowments	-	665,266
	This prior year balance has been reclassified into Cash and Bank balances under Call Accounts - Non Projects.		
10	Receivable		
	At 1 January	1	42,883
	Less: Provision for impairment	-	(42,882)
	At 31 December	1	1
	These are funds disbursed to Women Entrepreneurs Development (WED) for procurement of Packing Materials for the SMEs Food processors since 2007; the amount is unlikely to be refunded and is now being provided as doubtful of recovery.		
11	Prepayments and other Receivables		
	Medical Insurance	56,023	115,527
	Prepaid Insurance	-	1,596
	Staff Advances	137,845	41,002
	Hurumzi Art Gallery	1,775	-
	Belkin Fund for Credit Scheme for Women	24,173	16,764
	Farm Deposit refundable	5,000	-
		224,816	174,889



Notes to the Financial Statements For the Year Ended 31 December 2015 *(Continued)*

12	Cash and Bank Balances		
	Cash at bank		
	Cotton & Textile Development Programme	913,231	506,818
	Public Informal Economy Support Programme	270,341	700,000
	Public Informal Economy Support Programme (Exch Diff)	11,250	-
	HORTICULTURE (Exchange difference)	24,093	-
	MKUBWA Programme (By Cherie Blair Foundation)	-	132,344
	MKUBWA Programme (By Comic Relief)	-	140,703
	BELKIN Funds for Microcredit	50,827	33,071
	POETRY Award Funds	97,395	125,041
	Call Accounts - Non Projects	758,519	665,266
	Current Accounts - Non Project	33,152	113,896
	Sub total	2,158,808	2,417,139
	Cash in hand	1,116	1,263
		2,159,925	2,418,402
13	Accruals and Other Payable		
	Audit fees	20,988	22,787
	Retirement benefit	68,598	60,867

Notes to the Financial Statements

For the Year Ended 31 December 2015 (Continued)

	PPF Claim payable	14,833	-
	Gratuity	92,751	1,459
	PAYE	-	192
	PPF	35,065	-
	Mbogamboga Loans Security	7,991	4,465
		240,227	89,770
14	Differed Income		
	At 01 January	-	1,349,214
	Revenue received during the year	-	9,214,781
	Expenses	-	(8,521,379)
	At 31 December	-	1,428,366

15. Related Party Disclosure

Key management remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, (whether executive or otherwise) of the Trust.

	2015	2014
	TZS' 000	TZS' 000
Short term benefits	432,274	461,737
Post-employment benefits	<u>7,773</u>	<u>7,773</u>
	440,047	469,510

16. Events After Reporting Date

There are no events that have occurred date between the financial reporting period and when the financial statements are authorised for issue to be disclosed.

17. Commitments and Contingencies

Capital commitments

There are no approved and contracted capital commitments as at year end 31 December 2015.

Operating lease commitment – Trust as a lessee

The Trust has entered into commercial lease of office building. The leases have remaining lease period of 12 months as at year end and there was no renewals obtained for the existing contracts as at the date of this report.



	2015	2014
	TZS '000	TZS '000
Rental expenses recognized during the year	118,894	112,499

Contingencies

There are no known contingencies at the year end.

18. Financial Risk Management Objectives and Policies

The Trust's activities expose it to a variety of financial risks: credit risk, foreign currency risk and liquidity risk. The Trust's overall risk management programme seeks to minimize potential adverse effects on the Trust's financial performance. Risk management is carried out by the management team.

19. Assets Pledged as Security

The Trust had no any assets pledge as security as at year end.

20. Capital Management

The Trust has no issued share capital. The capital of the Trust consists of surplus generated from excess funds received from donor contribution. The operating capital of the Trust depends on grants from donors. The Trust manages its capital by ensuring it raises enough funds from donors for its operations.

21. Comparative Figures

Previous year's figures have been re-grouped whenever considered necessary in order to make them comparable with current year's figures.



