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Tanzania
Gatsby
Partnership in Poverty Alleviation Trust

ANNUAL REPORT
&
AUDITED ACCOUNTS

YEAR 2009



Our Vision...

TGT's Vision is "working in partnership with others striving towards an enterprising Tanzania in which prosperity is widely distributed".

Our Mission...

Our Mission is to be a catalyst for SMEs development by "harnessing, channelling and unleashing human energy to build social, financial and physical capital through entrepreneurship development."



Tanzania
Gatsby
Partnering in Poverty Alleviation Trust

**ANNUAL REPORT
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YEAR 2009

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ORGANIZATION INFORMATION

Since its establishment in 1992 as a charitable organisation under the Trustee's Ordinance (Cap 375), TGT has been successfully addressing the critical barriers for wealth creation by the SMEs through innovative partnerships. TGT is therefore one of the actors involved in implementing the Government of Tanzania's Vision 2025 and the United Nations Millennium Development Goals to create a dynamic and competitive economy and overcome absolute poverty. The Trust responds to the government's medium term framework, sector policies and strategies which address the challenges of creating widely shared wealth as a means for poverty reduction.

Mission

The Mission of TGT is to be a catalyst for SMEs development by "harnessing, channelling and unleashing human energy to build social, financial and physical capital through entrepreneurship development."

Vision

TGT's Vision is "working in partnership with others striving towards an enterprising Tanzania in which prosperity is widely distributed".

Core Values and Beliefs

These represent TGT's basic principles about what is important in business, its conduct, its social responsibility and its response to changes in the environment.

TGT Core Values

These include:

i. Leadership

- We believe the leadership skills need to be strengthened at all levels within TGT and that the managerial and professional competence is necessary for organizational growth and development.

ii. Ethics and integrity

- We do care how results are achieved and will demonstrate adherence, honest and ethical practices in all our activities.
- We will establish and maintain the highest professional and ethical standards.

iii. Teamwork and partnership

- We believe that high performing teams containing appropriate diversity can achieve what individuals alone cannot.

iv. Transparent and open communication

- Transparency in all operations and accountability to all stakeholders.

v. Community/clients involvement

- We believe in nurturing and harnessing Client and Community innovative ideas as they are the centre of their own development.

vi. Innovation

- Success requires us to continually strive to produce breakthrough ideas that result in improved solutions and services to customers/clients.

Governance

TGT is governed by a Board of Trustees with its various committees as the highest policy making body, and management as 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.

During the year under review, the Board of Trustees has seven Board Members and has established Committees that are operational to effectively help TGT discharge its role. The Committees include (a) Governance Committee/ Executive Committee; (b) Audit Committee; (c) Finance Committee; (d) Endowment Committee; (e) Endowment Investment Committee; and (f) Credit Committee. Members of the various Committees are appointed by the Chairman in consultation with the Governance Committee. Every Trustee is a Member of at least one but not more than two Committees. At the time of appointment, each Trustee signs a Board of Trustees' Code of Conduct.

During the 2009 financial year, the following served as Trustees of the Tanzania Gatsby Trust.

Name	Nationality	Position
1. Mr. Epaineto B. Toroka	Tanzanian	Chairman
2. Mr. Biharilal K. Tanna	British	Vice Chairman
3. Mr. Laurence Cockcroft	British	Trustee
4. Mr. Ally K. Mirza	Tanzanian	Trustee
5. Mrs. Ndemanyiswa Mbise	Tanzanian	Trustee
6. Mrs. Consolata Ngimbwa	Tanzanian	Trustee
7. Hon. Mrs. Kate Kamba (MP EAC)	Tanzanian	Trustee

TANZANIA GATSBY TRUST

Board of Trustee



Mr. Epaineto B. Toroka,
Chairman, Tanzania Gatsby Trust



Mr. Biharilal Keshavji Tanna
TGT Trustee



Hon. Kate Sylvia Magdalena Kamba
TGT Trustee



Mrs. Ndemanyiswa Mbise
TGT Trustee



Mr. Ali Khalil Mirza
TGT Trustee



Mrs. Olive D Luena - CEO
Secretary of the Board of Trustees



Mr. Laurence Cockcrof
TGT Trustee



Mrs. Consolata Ngimbwa
TGT Trustee

TANZANIA GATSBY TRUST

Management Team



Mrs. Olive D Luena - CEO
Secretary of the Board of Trustees



Mr. Mark Mambo
Finance & Admin Manager



Mrs. Wanke Kinyaua
Projects Officer.



Mrs. Teddy Kunulilo
Br. Manager, Zanzibar



Mrs. Hajiri Kapinga
Senior Credit Officer



Mrs. Elizabeth Kapia
Credit Officer

TGT's General Performance

The initial Trust Deed establishing the Trust emphasized on TGT offering a combination of financial and non financial services. 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 recognised as an effective partner in inclusive private sector development in the country. The TGT Micro-finance operations are based on the principles of deepening financial services for rural development, sustainability and profitability. The non financial services include;

Auditors

- Training and related business support services to enable the SMEs to acquire the requisite skills to operate and manage the enterprises profitably;
- Marketing strategies to the entrepreneurs to enable them to access markets for their products both locally and internationally;
- Appropriate technology for productivity to ensure timely delivery of the quality and quantity of products to meet the market demands including packaging; and
- Project management, mainly for its main partner, Gatsby Charitable Foundation of UK

Auditors

At each Annual General Meeting, the Trustees appoint the Auditors. The current Auditors, TAC Associates, who were appointed in 2009 are eligible for reappointment.

Bankers

TGT's Bankers are:

- Standard Chartered Bank
- Cooperative Rural Development Bank (CRDB)
- National Microfinance Bank (NMB)
- National Bank of Commerce (NBC)
- Mwanga Community Bank



Cotton Seed multiplication farm at Nkanziga Ukirigulu

CHAIRMAN'S STATEMENT



Mr. E.B. Toroka

On behalf of the Board of Trustees, I have the honor and privilege to present year 2009 Annual Accounts and Report.

Year 2009 was the first year of implementing TGT's Five Years' Strategic Plan. It was a year with extraordinary challenges in part contributed by the deep and extended world economic recession as well as very severe drought in East Africa with significant negative consequences in Tanzania. The 4th phase Government should be complimented for providing a stimulus package, directed to key areas of impact on the economy.

As year 2008 was heading to a close, it was already apparent that a financial crisis was ahead of us and forecast had it that less than normal rains should be expected. Tanzania, like other economies, has been adversely affected by the financial meltdown as well as bad weather. More specifically, the SME sector including some TGT's clients lost markets when orders were withdrawn in external as well as domestic markets. Continued depreciation of Tanzanian Shilling and rising inflation compounded matters.

Nevertheless, the economy of Tanzania grew at an impressive 6.5% in 2009; as a consequence, some socio-economic agents including TGT had modest growth as demonstrated by growth in revenue, surplus of income over expenditure, more clients who accessed financial as well as business development services.

I thank my colleagues on the Board, the wonderful Management Team, Staff and Funders for their unwavering support and commitment. I also acknowledge the role played by the Clients and other Stakeholders. I am highly indebted to this special team of ladies and gentlemen. Their prize winning contributions, giving and zeal to serve and to perform are most highly commendable.

TGT is on the way to legalizing a separate microfinance company divorced from business development services. Restructuring is meant to enable the Trust to contribute more robustly to the social and economic development of Tanzania. The population of Tanzania has crossed 40m mark. It is reckoned that about 60% of the population is below 16 years of age and that over 70% of Tanzanians are in rural areas, the majority being in agriculture and many people earning their livelihood in the informal sector. Plans and strategies have been drawn up to improve the performance of the agricultural sector and to formalize the informal sector. TGT and other SME development agents are challenged to be up to the task, to be relevant and to effect much needed rapid growth and development.

Chairman's Statement

During the year, Lord David Sainsbury, the Setlor of The Gatsby Charitable Foundation UK visited us and injected his special inspiration as well as unique brand of energy and wisdom to TGT. We had the privilege of reviewing the scheme he is assisting including a special programme supporting the whole value chain of cotton and textile sector in which Tanzania Gatsby Trust and Tanzania Cotton Board with the Gatsby Charitable Foundation's support are cooperating to reach about 400,000 cotton farmers of Tanzania so as to double the output by raising average production per acre to over 1500kg by 2015 and add value to at least 90% of the cotton. We are most grateful to all stakeholders for discharging their rightful roles very well. We are on track, thanks to the support, cooperation and assistance from the government, especially the Ministry of Agriculture, Food Security and Cooperatives, Tanzania Cotton Board, Regional and District authorities, various consultants, cotton farmers and other stakeholders.

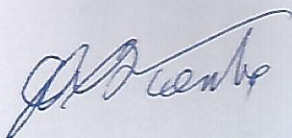
In November 2009, the Tanzania Gatsby Trust (TGT) started implementing the Project known as "Promotion of Women's Entrepreneurship – Tanzania Virtual Business Incubator" – popularly called MKUBWA in Kiswahili (Mkakati wa Kukuza Ujasiriamali na Biashara za Wanawake) with funding from the World Bank (WB) and technical assistance from the Italian Association for Women in Development (AIDOS).

The Project objective is to develop women-owned micro enterprises through the delivery of an integrated package of business development services. The project will promote social and economic empowerment of Tanzanian women and establish a model for developing micro-enterprises that can then be extended to the other areas of Tanzania. The Project will establish a "Virtual Business Incubator" (VBI) for women's enterprise, which will act as a counseling / training / business centre for the development of viable and self-sustainable micro enterprises focusing on value-added activities. The VBI will offer to existing women micro-enterprises in the Project target area, an integrated package of business development services (BDS) including: Entrepreneurship Orientation, Business Management Training, Technical Skills Training, Product Design and Development (PD&D), Facilitation of access to finance, Coaching/Mentoring, Business counseling, Marketing assistance and promotion, Business Networking.

The Project will also have an impact evaluation and monitoring component: this component will focus on developing a monitoring framework for the life of the Project, as well as designing and undertaking a rigorous impact evaluation including baseline and end line data collection and analysis.

We believe that this Project will add new dimension of awareness in reaching micro and small enterprises and hopefully emerging entrepreneurs with post-primary and post-secondary technical skills will tap this opportunity knowing that it is about 20% of adult Tanzanian population accessing secondary education and beyond.

In my view, Tanzania's core enemies include poverty, ignorance, disease, bureaucracy and corruption. These contribute significantly to holding back potential participants of SME development and growth. They inhibit members of Tanzania community from playing their rightful roles in socio-economic programs. TGT is geared to fighting them, working in partnership with others striving towards an enterprising Tanzania in which prosperity is widely distributed.



Epaineto Toroka

Chairman

Board of Trustees Tanzania Gatsby Trust

MANAGEMENT'S TGT PROGRAMMES/PROJECTS REPORT



Mrs. Olive Luena-CEO

TGT is a dynamic organization. Over the 17 years of its existence it has always strived to develop strategies that have enabled it to achieve its Mission as a catalyst for SME development by “harnessing, channeling and unleashing human energy to build social, financial and physical capital through entrepreneurship development.” During the year, TGT reflected on the experience gained over the 17 years of TGT’s operation and came up with the five years Organizational Development Programme (ODP) which is part of the implementation of the Five Years Strategic Plan 2009-2013. The ODP is to enable the Trust:

- Respond to external changes and challenges. The rate of change is fast and therefore TGT must position itself to respond in order to fulfill new expectations and meet legal, social and community requirements
- Find new methods to manage the organization and its devolved structures - This calls for putting systems and tools in place
- Build the organizational capacity to ensure that the organization through its devolved structures continues to grow, and develop and achieve impact and scale
- Determine Organizational Development actions, the Trust needs to undertake over the next few years to become a strong organization and build up the capability and capacity to deliver the Strategic Plan, and
- Identify organizational issues to be addressed in order for the organization to perform and deliver its services effectively

The TGT’s amended Trust Deed spells out the need for TGT to devolve some of its activities into companies and other entities to be legally registered and incorporated as operational structures to fulfill the Mission and Objectives with the goal of achieving excellence in SME development through innovations and best practices in the financial services provision. During the year the management prepared the ground for the spinning off the TGT’s Financial Services into Microfinance Company and leaving the TGT NGO to continue with the Nonfinancial Services .In brief:

- The TGT NGO which will continue being a leading catalyst for SMEs development through innovations that make markets work for the poor/ providing market based solutions to SMEs problems. The emphasis is on working in partnership with other actors, promote, support, develop and disseminate innovations that enable markets work for the poor using market based solutions to address the challenges of SMEs.

- The microfinance institution (MFI) to provide financial services to address the needs of rural and marginalized groups in a sustainable way. The MFI shall still focus on underserved segments, and shall take to scale innovations to demonstrate their viability.

With this foregoing summary of the evolution of TGT, the management is pleased to present the highlights of the TGT's Operations during the year covering the financial services (Credit operations).

TGT's Non Financial Services including:

- SMEs Training
- SMEs Marketing Strategies
- Success Stories from TGT's Supported SMEs
- Specialized Projects that TGT backstops/manages or coordinates, i.e. the Community Banks Association, the Tanzania Tree Biotechnology Project(TTBP) and the Cotton value chain (Tanzania Cotton and Textile Programme).

1.0 TGT FINANCIAL SERVICES - CREDIT OPERATIONS FOR THE YEAR 2009

Committed to fight poverty through entrepreneurship programs, TGT sees itself as a catalyst organization that fosters pro-poor programs through enterprise development. TGT has been providing financial services through traditional Rotating Savings and Credit Associations (ROSCAs), Gatsby Clubs, farmers groups and community banks as well as the Community Banks Association and Apexes of Associations. It has facilitated introduction of innovation in organizational delivery models that have resulted in bringing about a sense of local ownership in the credit delivery mechanism as communities take charge of the process. In addition, it has led to confidence building and enhanced leadership skills among TGT clients, the majority of whom are women. The Tables below portray the Credit Operations achievements for year 2009.

Summary of TGT Credit Operations January –31st December 2009.

Table 1: Provision of Microfinance Disbursements (January-31st December 2009)

Scheme	Target Tzs'000	Actual Tzs '000	Achieved	Average repayment rate
1. UPATU Mainland	625,000	787,544	26%	99%
2. UPATU Zanzibar	349,000	311,000	(10%)	99%
3. Wholesale (PTF and SEDA)	250,000	694,650	178%	100%
4. Individuals	50,000	1,639	(96%)	97%
5. Food Processing	315,500	407,860	30%	97%
6. Housing	6,500	6,000	(7%)	100%
7.Gatsby Clubs	25,000	69,939	180%	75%
Total	1,621,000	2,278,632	41%	95%

Table 2: January –31st December 2009 - Outreach and Employment Creation

Scheme	Target (SMEs)	Actual	Achieved	Employment Created
1. UPATU - Mainland	1,500	2,006	34%	6,018
2. UPATU-Zanzibar	1,500	1,502	1%	2,638
3. Wholesale	2,000	16,687	735%	33,374
4. Individuals	5	1	(80%)	10
5. Food Processors	400	536	34%	1,608
6. Housing	4	4	0	N/A
7. Gatsby Club	25	117	368%	351
Total	5,434	20,853	284%	43,999

1.1 Year 2009 TGT Non Financial Services Provision

The initial Trust Deed establishing the Trust emphasized on TGT offering a combination of financial and non financial services .The non financial services include;

- Training and related business support services to enable the SMEs to acquire the requisite skills to operate and manage the enterprises profitably
- Marketing strategies to the entrepreneurs to enable them to access markets for their products both locally and internationally
- Appropriate technology for productivity to ensure finally delivery of the quality and quantity of products to meet the market demands including packaging; and
- Project management, mainly for its main partner, GCF

1.2 Entrepreneurship and Business Training

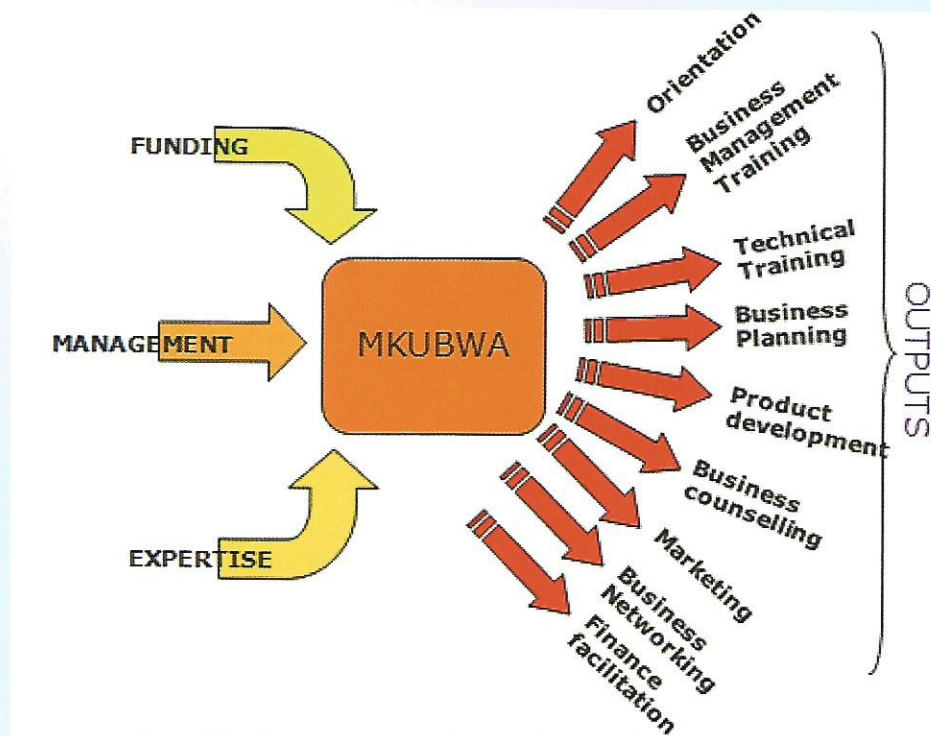
TGT undertook tailor made training programs to build the capacity of SMEs in the areas of skills development and management development. TGT continued to apply its training manuals developed to address specific training needs of the SMEs. Pre- credit delivery trainings are a prerequisite to all the clients applying for credit under the group lending schemes. TGT also provides training in appropriate technology and technology knowledge transfer to SMEs. Table 2a has the summary of the programmes implemented during the year under review.

Table 2 a: SME Skills and Business Development Programmes

Participants	Type of Training	No. Trained
1. Upatu Mainland	Pre –Credit Training and Business Management Skills	1,336
2. Upatu Zanzibar	Pre-Credit Training	600
3. SMEs in Food Processing	Business Management Skills	423
Total		2,359

1.3 TGT MKUBWA Programme in a nutshell

Promotion of Women's Entrepreneurship – Tanzania Virtual Business Incubator” – popularly called MKUBWA in Kiswahili (Mkakati wa Kukuza Ujasiriamali na Biashara za Wanawake) with funding from the World Bank (WB) and technical assistance from the Italian Association for Women in Development (AIDOS).



A Diagram of showing implementation of MKUBWA Programme



Some MKUBWA Participants Proudly showing off their Identity Cards



Apex Leaders of women groups in Zanzibar after a leadership training Course Funded by McKnight Foundation (with the TGT CEO (third from left) and the TGT Zanzibar Branch Manager (third from right)) on the Graduation day

2.0 SMES MARKETING DEVELOPMENT PROGRAMMES

TGT offers marketing programmes to SME's to enable them access local, regional and international markets. During the year under review, TGT supported the participation of 29 growth-oriented SMEs to the Dar es Salaam International Trade Fair where different products were marketed to different buyers.

At the same time 5 women entrepreneurs attended an international entrepreneur's workshop and displayed their products at an event which was organised by the Synergos Global Philanthropy Cycle in Arusha at Miracle Corner Centre in February 2009.

The major highlights during the year were:

- TGT funded 34 SMEs from different regions of Tanzania to participate at the Dar es Salaam International Trade in 2009
- The Trade fair created awareness on trends on fashion , pricing and market taste
- The participants broadened their acumen on market outlets through networking
- Volume of sales increased to 50% for year 2009
- TGT was the 2nd winner during the 33rd Dar Es Salaam International Trade Fair in the category of Cottage Industries
- The trade fair events included training and interaction between exhibitors on sources of raw materials, packaging materials and new knowledge on customer needs



Customers at TGT Pavilion at the Dar Es Salaam International Trade Fair

Masai Women TGT Pavilion at the Dar Es Salaam International Trade Fair



*Adding value to traditional handicrafts
Julie Lawrence a fashion designer training
women in Zanzibar*

2.1 Highlights of TGT Projects and Programmes Management

2.1.1 Community Banks Association

In order to facilitate increase in outreach and assist in the rural financial deepening, TGT has been a pioneer supporting the creation of community owned rural financial institutions through equity participation and technical assistance. In 1998 TGT, invested Tzs 20.0 million (about USD 20,000) in Mwanga Community Bank. Mwanga Community Bank is now financially sustainable. In 2008, TGT also invested Tzs 20.0 million (about USD 15,385) in the recently licensed Tandahimba Community Bank. In 2009, TGT invested Tzs 20m in the Meru Community Bank and Tzs 100m Njombe Community Bank.

During the year under review, TGT continued with its backstopping role for the operations of the Community Banks Association, a network of Community banks created with TGT support whose operations during the year are summarized below.



From left to right: Nutritious flour, Orange juice, Chill & Tomato Sauce, Mango & Mbilimbi Pickle, Jams and Peanut butter produced by food processing trainees being displayed for marketing



Trainees putting seals in Jars containing Mango pickles

Trainees packing processed Mango pickle in glass jars



2.2 Community Banks Association Report



Stella T. Rwiza, CBA CEO

In 2009, Community Banks Association convened 4 meetings of the Board of Directors and 5 trainings of Community Banks Staff. CBA conducted a one week on-job internal audit training to the internal auditor of Mwanga Rural Community Bank (MRCB) to equip the newly recruited auditor with skills necessary to discharge internal audit functions at MRCB.

The Association also held an Annual General Meeting and CEOs/Managers conference (which included other stakeholders).

During the reporting year, CBA conducted a performance review of all Community Banks and the findings show that most CBs recorded growth.

In most of the balance sheet and income statement items by December 2009 Aggregate capital increased by 84% while total assets recorded a growth of 31%. Loans, advances and overdraft went up by 27% while customer deposits increased by only 2% as at 31st December 2009.

The Association has continually been liaising with some of the prospective banks that included Community Bank of Arusha, Njombe Community Bank, Meru Community Bank, Kibo Community Bank, Singida Yetu Community Bank and Morogoro Community Bank. Community Bank of Arusha, Meru Community Bank, and Kibo Community Bank are at an advanced stage towards being operational.

To speed up the pace, the three banks contracted consultants who will facilitate the set-up of these banks. It is envisaged that at the end of 2010, these banks could be on the final stages of being established. Several investors are interested to invest in Singida Yetu Community Bank. (For further details visit: www.cba.or.tz)



CB's Managers Conference Girafee Ocean View Hotel 6th October 2009

2.3 Promotion of Commercial Smallholder Forestry: Transfer and application of Tree Biotechnology in Tanzania.

The Tanzania Tree Biotechnology Project implemented by TAFORI, the Tanzania Forest Research Institute, and funded through Tanzania Gatsby Trust by Kilimo Trust, better to mention origin of KT is focusing on sustainable improvement of incomes of smallholder tree growers and other entrepreneurs in Tanzania through use of cloning techniques. The activities during the year centered on:

- (i) The operationalization of central nursery for the production of clonal and seedling materials completed at Kwamarukanga in Korogwe Greenhouses substituted with a shade house with tunnels fitted in. A total of 20 tunnels measuring 1m x 10m were constructed where each is separated by 90cm wide – access roads and holds about 2,300 - 6,000 cuttings depending on pot size. The tunnels may currently hold about 46,000 – 120,000 cuttings depending on pot size. A total of about 100,000 clonal plants were produced for various uses. This is about 40% of the targeted 250,000 elite plants for sell in year 1 due to fine tuning the tunnelling practices at Kwamarukanga.
- (ii) Building the capacity of entrepreneurs to operate thriving business in clonal nurseries and commercial supply of tree planting materials.
Ten Entrepreneurs from Pangani, Morogoro, Tanga, Dar es Salaam and Handeni were introduced to clonal commercial forestry. 11,000 clonal plants were issued to villagers to increase involvement and participation in TTBP activities. TTBP women workers introduced to TGT Officer in Korogwe by the BDS Manager for soft loan procedures. Eight large and medium enterprises use tree biotechnology. Training of Trainers was conducted and 24 trainers were trained. One privately owned nursery (Pangani District) supported and 24 Tunnels supported with 50 clones each for hedges. Technical instructions given to Trainers and data on Eucalyptus myths.

(iii) Establishment of clonal demonstration trials and holding nurseries ;

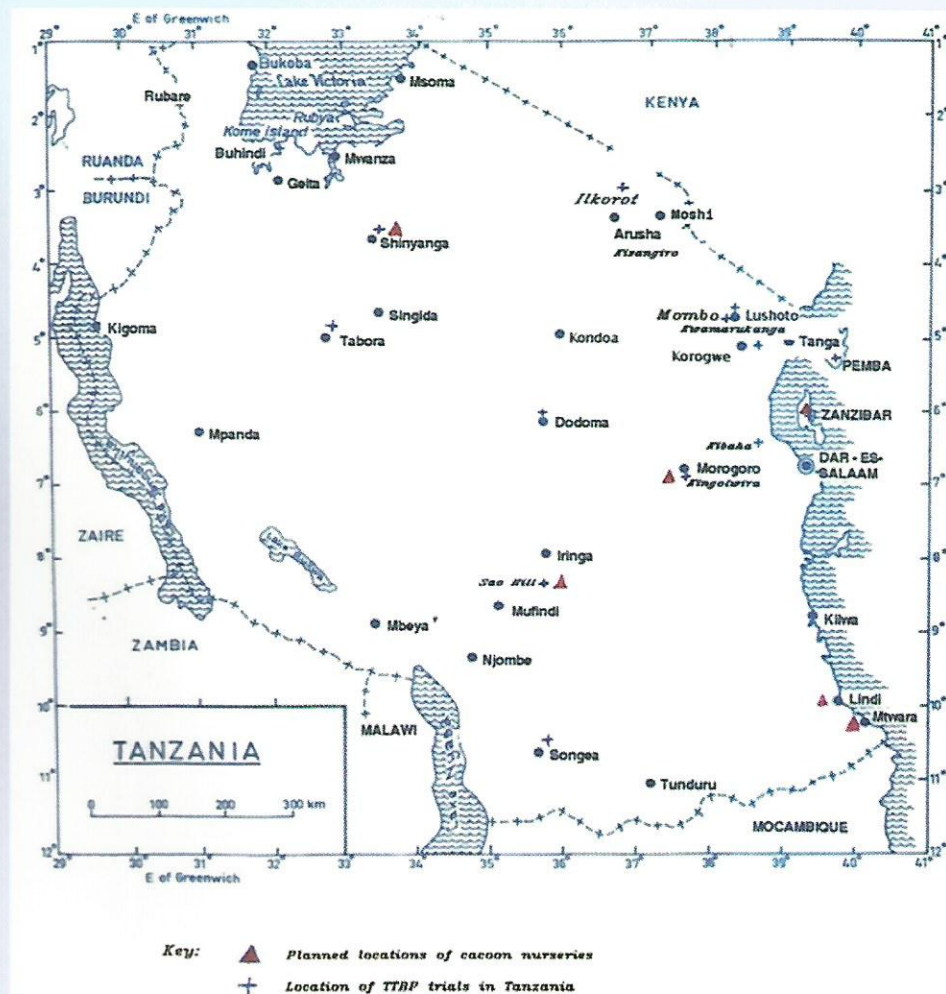
In total 8 blocks already in place, of which 4 are purely commercial. A total of 4 commercial mother blocks with GC 15, 167, 584 and 940 were established but each with about 4,300 ramets.



Clonal hedges before felling



Clonal hedges after felling



Map of Tanzania showing location of TTBP Trials and planned location of Cacao nurseries

3.0 TEXTILE & APPAREL INDUSTRY DEVELOPMENT PROGRAMME

Gatsby is working with stakeholders in the sector to implement a series of interventions addressing the constraints in the Cotton and textile value chains. In September 2007 Gatsby initiated a major long-term programme supporting the transformation of the Tanzanian cotton and textiles sectors. The programme aims to double the yields of Tanzania's 400,000 cotton farmers and catalyse value-adding industries in the textile and clothing sector. The programme includes introducing improved cotton seed, assisting farmers' adopt minimum tillage / conservation agriculture, and setting up contract farming between ginner and farmers. Further efforts are underway to encourage internal investment, attract foreign direct investment into the sectors, and improve the availability of skilled resource. So far Gatsby have committed approximately £3m over three years to the programme .



Seed development, multiplication, and crop husbandry research

Ukirigulu Research Institute is funded by Gatsby for seed breeding. In accordance with their work plan Ukiriguru have already planted 100ha of UK91, 0.28ha of UK08 and 1ha of UKM08. Out of the 39 tons obtained in the 2008-09 season, 4 tons were planted in Bunda, 13.5 tons were planted in Musoma, and 10 tons were planted in Bariadi. All indications are that the crop will do well this year. In the ECGA, Ilonga have made necessary arrangements to demonstrate DAP (Diamonium Phosphate) and crop husbandry techniques, planting is yet to commence. Additionally the programme has facilitated linkages with ginner to improve farmers' access to markets.



Lord David Sainsbury (in White T-shirt) receiving the seed multiplication report from the Director of Ukirigulu (On his right)

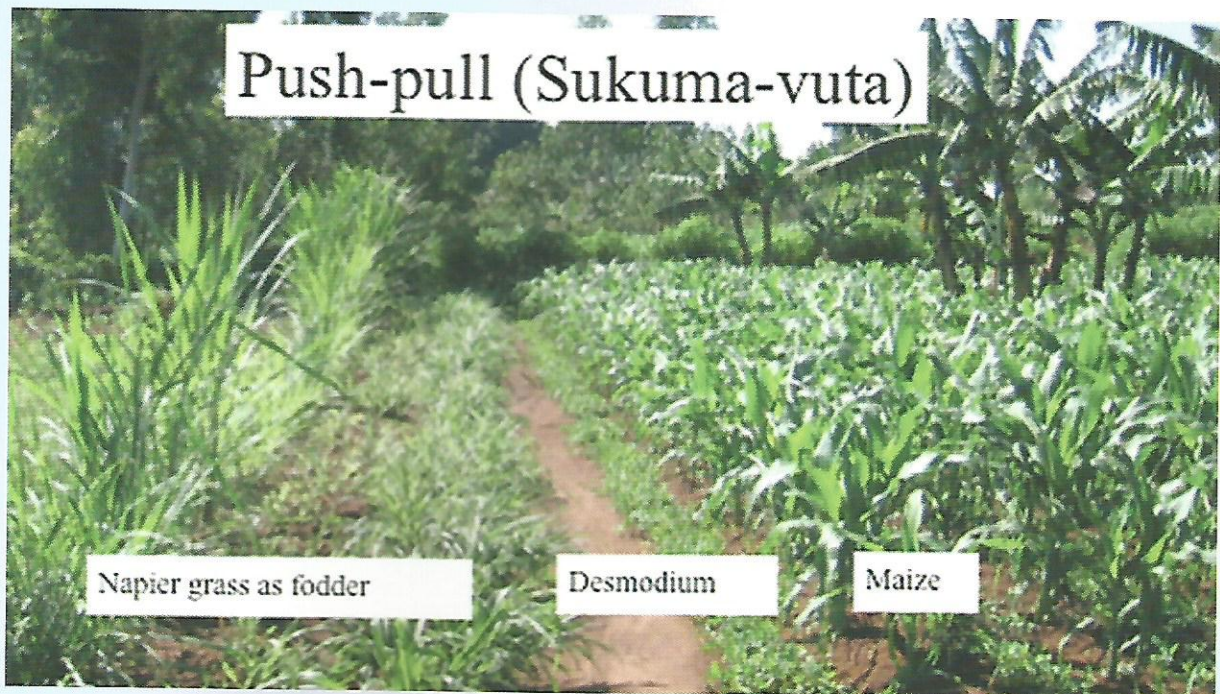
3.1 Conservation agriculture demonstration

A total of fifty four demonstration plots have been set in 15 districts both in WCGA and ECGA as it was last season. On top of the programme has a farm in Bariadi District where various cotton production technologies are being demonstrated to farmers. The farm is also used as training site for extension staff from WCGA. Performance of demonstration plots is promising as this year has enough rains in most areas where the programme set demonstration plots. The CA team is in field doing monitoring.



Conservation of Agriculture

3.2 Contract farming pilots (ECGA & WCGA)



Push - Pull demonstration farm

3.3 Push Pull Technology

Building on lessons from the previous season and utilising a “train the trainer” approach, Technoserve have scaled up their operations and for this season have facilitated the following:

- Sensitized 28,200 farmers on contract farming in 3 districts (Bunda, Musoma and Serengeti)
- Identified 15,509 farmers who will participate in contract farming
- Facilitated the formation of 261 farmers business groups
- Helped 2 ginners to sign contracts with 76 farmer business groups
- Facilitated 3 ginners to provide 244,000 kilos of cotton seeds to 15,509 farmer on credit
- Assisted 2 ginners to plan logistics of input distribution and transport of 39,086 acre packs of pesticides to cotton growing villages for 14,486 farmers
- Facilitated 2 ginners to provide 1,320 farmers with 66,050 kilos of urea on credit
- Trained 2,020 farmers in the appropriate planting methods
- Installed PAMBAnet (cotton production and marketing information system) at 2 ginneries
- Trained 83 farmers and 6 staff from 2 ginneries on how to use PAMBAnet
- Trained 176 FBG leaders on inputs management and distribution system
- Identified 34 lead farmers
- So far this year the following has been provided to farmers by contracting ginners

3.4 Industry Policy Dialogue

In order to increase awareness of sector wide constraints, the programme facilitated a stakeholder workshop in October 2009. During this event the programme presented its activities, performance and findings. This event was followed up with another stakeholder meeting in December 2009 where an update on activities was presented

in addition to a report on cotton sector developments in Africa, and a series of case studies from other African countries. The outcome of this second meeting was to agree to the formation of a wider stakeholder Policy Committee in an effort to resolve structural problems in the sector. At the most recent Policy Committee meetings the structure through which the sector operates came into question, this has lead to discussions on how the TCB should licence ginners, implement contract farming on a larger scale and revise the regulatory framework.

My Success Story



Mr. Myenjwa Ruhina and some of his proudcts

I am a small scale entrepreneur in the agro-processing of natural products sector. I have been in this sector since 2000 and I am based in Mwanga-Kilimanjaro Region. My business is registered as Honamed Natural Products.

I am one of the first TGT stakeholders in Tanzania. As an entrepreneur, I am proud to be a stakeholder at TGT. To me TGT is everything; it has improved my life, my social status and has empowered me economically especially in marketing my products.

Prior to engaging in this business, I used to own a Dispensary and a small industry for charcoal processing. After hearing that TGT is supporting local entrepreneurs who are engaging in production activities through its SMEs support programme, I was persuaded to contact them. During that period, TGT had a pilot scheme for Mwanga SMEs under Umoja wa Wazalishaji Wadogo Mwanga (UWAMWA) - (Association of Mwanga SMEs).

The objectives of the scheme were to empower UWAMWA members in fighting poverty through provision of credit, marketing, training on how to run business in profitable manner and training in technology, include exposure of members through various study tours, seminars inside and outside Tanzania. I was impressed with these objectives and I joined the scheme.

I received the first loan from TGT in 1995 which assisted me to acquire production premises, machinery and raw materials. Since then I have been receiving loans and other services and my business has significantly improved, for example my products quality has improved, production has increased by almost 46%, sales have gone up by about 55% while profitability has doubled.

TGT supported study tours and participation in international trade exhibition in Kenya, Uganda and Dar es Salaam International Trade Fair (DITF) and I am now receiving many orders from various buyers. All these have increased my competitiveness in the market.

**4.0 TANZANIA GATSBY TRUST
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2009**

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REPORT OF AUDITORS TO THE TRUSTEES

We have audited the accompanying financial statements of Tanzania Gatsby Trust which comprise the statement of financial position as at 31st December, 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

TRUSTEES' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Trustees of the Tanzania Gatsby Trust (TGT) are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control over the financial statements as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatements, 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 the auditors' 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, the auditors consider internal control relevant to the TGT's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Tanzania Gatsby Trust as at 31st December, 2009, its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards and comply with the Trustees' Incorporation Ordinance of 1956 Chapter

375 of Tanzanian Laws, Society Act No. 6 of 1995 under Registration No. 43 of Zanzibar Revolutionary Government and Non-Governmental Organization Act No.24 of 2002.

TAC ASSOCIATES (Certified Public Accountants)



S. F. SAYORE - FCCA
MANAGING PARTNER

DAR ES SALAAM

DATE.....12.9.JUL.2010.....

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2009

		31.12.2009	31.12.2008
	NOTE	TZS'000'	TZS'000'
Non - Current Assets			
Property, Plant and Equipment	2	72,851	113,242
Investments In Shares	3	179,398	51,360
Endowment Fund	4	1,197,230	913,480
Total Non-Current Assets		1,449,479	1,078,082
Current Assets			
WED Revolving Fund		34,873	41,535
Prepayment & Others		3,380	31,543
Loan Portfolio	5	2,262,930	1,659,855
Cash and Bank Balances	6	3,102,164	1,224,767
Total Current Assets		5,403,347	2,957,700
TOTAL ASSETS		6,852,826	4,035,782
EQUITY AND LIABILITIES			
Equity			
Projects Fund		3,670,771	2,070,874
Endowment Grants		1,197,230	916,864
Mtaji Fund		215,452	25,810
Accumulated Surplus		683,600	833,388
Total Equity		5,767,053	3,846,936
Current Liabilities			
Excess Funds Refundable	7	320,098	0
Deferred Income	8	623,811	59,284
Loans Insurance Fund		77,006	81,746
Provisions and Accruals		64,858	48,093
Total Current Liabilities		1,085,773	189,123
TOTAL EQUITY AND LIABILITIES		6,852,826	4,035,782

NOTES 1 TO 20 FORM PART OF THESE FINANCIAL STATEMENTS
REPORT OF THE AUDITORS ON PAGE 26



 TRUSTEE
 28/07/2010
 DATE



 TRUSTEE
 28/07/2010
 DATE

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2009

	NOTE	2009		2008	
		Microfinance Operations	Projects' Grants	Microfinance Operations	Projects' Grants
INCOME		TZS'000'	TZS'000'	TZS'000'	TZS'000'
Grants	9	0	3,512,500	0	1,445,392
Interest on Loans	10	365,314	0	319,296	0
Other Income	11	35,566	250,358	121,893	202,946
TOTAL		400,880	3,762,858	441,189	1,648,338
LESS: EXPENDITURE					
Project Costs	12	0	1,857,043	0	874,146
Administrative Expenses	13	167,568	233,571	133,376	533,910
Direct Lending Expenses	14	449,847	0	150,385	0
Other Expenses		60,404	72,347	125,465	129,894
TOTAL		677,819	2,162,961	409,226	1,537,950
SURPLUS/(DEFICIT) FOR THE YEAR		(276,939)	0	31,963	0
UNUTILIZED COMMITTED FUNDS CARRIED FORWARD			1,599,897		110,388

NOTES 1 TO 20 FORM PART OF THESE FINANCIAL STATEMENTS REPORT OF THE AUDITORS ON PAGE 26


 TRUSTEE
 28/07/2010


 TRUSTEE
 28/07/2010

DATE

CASH FLOWS STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2009

	2009	2008
	TZS'000'	TZS'000'
CASH FLOWS FROM OPERATING ACTIVITIES		
SURPLUS FOR THE YEAR	(276,939)	31,963
UNUTILIZED COMMITTED FUNDS CARRIED FORWARD	<u>1,599,897</u>	<u>110,388</u>
	1,322,958	142,351
Adjustment :		
Transactions Directly Recorded in the Equity	597,158	319,908
Depreciation	46,202	47,382
Depreciation Adjustment	0	2,395
Prior Year Adjustment	277	41,535
NET CASH FROM OPERATING ACTIVITIES	<u>1,966,595</u>	<u>553,571</u>
CHANGES IN WORKING CAPITAL ITEMS		
(Increase)/Decrease in Loans Portfolio	(603,075)	(405,226)
(Increase)/Decrease in Prepayment & Others	34,825	(12,441)
Increase/(Decrease) in Loan Insurance Fund	(4,740)	46,359
Increase/(Decrease) in Deferred Income	564,527	(42,951)
Increase/(Decrease) in Excess Funds Received	320,098	0
Increase/(Decrease) in Provisions and Accruals	16,764	(19,810)
NET CHANGE IN WORKING CAPITAL ITEMS	<u>901,389</u>	<u>(434,069)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	<u>2,294,994</u>	<u>119,502</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (Increase)/Decrease in Endowment Fund	(283,750)	(55,999)
Net (Increase)/Decrease in Investment	(128,038)	(121,791)
Purchase of Property, Plant and Equipment	(5,811)	(52,174)
NET CASH FLOWS FROM FINANCING ACTIVITIES (B)	<u>(417,599)</u>	<u>(229,964)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B)	<u>1,877,396</u>	<u>(110,462)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,224,764</u>	<u>1,335,230</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>3,102,164</u>	<u>1,224,768</u>

NOTES 1 TO 20 FORM PART OF THESE FINANCIAL STATEMENTS REPORT OF THE AUDITORS ON PAGE 26



TRUSTEE

28/07/2010

DATE



TRUSTEE

28/07/2010

DATE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2009

PARTICULARS	Project Grants TZS'000'	Endowment Fund TZS'000'	Mtaji Fund TZS'000'	Accumulated Surplus (MF Fund) TZS'000'	TOTAL TZS'000'
Balance on 1st January, 2008					
Previously Stated	2,079,366	920,525	-	391,555	3,391,446
Adjustments	(119,157)	(203,562)	-	374,254	51,535
Opening Balance Restated	1,960,209	716,963	-	765,809	3,442,981
Mtaji Fund	-	-	25,810	-	25,810
Grants for Endowment Fund	-	173,793	-	-	173,793
Grants for Credit Scheme	-	-	-	39,000	39,000
Interest from Endowment Fund	-	22,724	-	-	22,724
From Statement of Comprehensive Income	110,388	-	-	31,963	142,351
Balance at 31st December, 2008 As Restated	2,070,597	913,480	25,810	836,772	3,846,659
Balance on 1st January, 2009	2,070,597	913,480	25,810	836,772	3,846,659
Adjustments	277	3,384	0	(3,384)	277
Opening Balance Restated	2,070,874	916,864	25,810	833,388	3,846,936
Grant for Endowment Scheme	-	150,371	-	-	150,371
Exchange Gain	-	127,585	-	-	127,585
Mtaji Fund Received	-	-	139,922	-	139,922
Grant for Credit Scheme	-	-	-	127,151	127,151
Interest from Endowment Fund	-	2,410	-	-	2,410
Interest earned on the Mtaji Fund	-	-	49,720	-	49,720
From Statement of Comprehensive Income	1,599,897	-	-	(276,939)	1,322,958
TOTAL	3,670,771	1,197,230	215,452	4,354,371	5,767,053

NOTES 1 TO 20 FORM PART OF THESE FINANCIAL STATEMENTS. REPORT OF THE AUDITORS ON PAGES 26



TRUSTEE



TRUSTEE

28/07/2010

28/07/2010

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards. The principal accounting policies adopted are consistent with those applied in the previous year.

(a) Basis of Accounting

These financial statements have been prepared on the basis of historical cost convention.

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

(b) Income

Grant moneys from donors and interest on bank deposits are recognized on receipt basis, whereas interest on loans is recognized on accrual basis. Non-Project grants are credited to equity where as 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 are credited to the current liabilities under the deferred income component.

(c) Property, Plant and Equipment

The Trust has elected to use cost model as its accounting policy to an entire class of property, plant and equipment.

(i) Recognition

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

(ii) Measurement after Recognition

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

(ii) Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment is calculated on a straight line method to write off the cost/value of the property/equipment over the expected useful economic lives. The principal annual rates, which are consistent with those applied in the previous years, are as under:-

Description of Assets	Rate p.a. %
Computers	12.50
Motor vehicles	25.00
Furniture and fittings	12.50

Property, plant and equipment acquired during the year are depreciated from the date when they are available for use and cease to be depreciated at earlier of the date that the asset is classified as held for sale and the date that the assets is de-recognized.

(iv) Subsequent Expenditure

Expenditure incurred to replace a component of item of property, plant and equipment is accounted for separately and capitalized. Subsequent expenditures are capitalized only when they increase the current economic benefits. All other expenditure items are recognized in the income statement as expenses as they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each balance sheet date. No depreciation is charged if the residual value of an item is equal to or greater than its carrying value.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognized.

(c) 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 investments are 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.

(d) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Fund's functional and presentation currency.

(e) Foreign Currency Transactions

Foreign currency transactions are translated into Tanzanian Shillings by applying the exchange rates ruling on the transactions dates. Assets and liabilities denominated in foreign currencies are translated into Tanzanian shillings at exchange rates ruling on the Balance Sheet date. Gains and losses arising thereon are dealt with in the income and expenditure account.

(f) Impairment of Assets

The Trust recognizes an impairment loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(g) Employee Benefits

(i) Short Term Benefits

Short-term benefits are monetary and non-monetary benefits as covered in employment contract and scheme of service. A liability is recognized for unpaid short term benefit. An expense is recognized as the entity benefits from services provided by employees.

(ii) Post –Employment Benefits

Contributions to Social Security Fund

The Trust contributes to Parastatal Pensions Fund (PPF) 10% of basic salary of each staff and the staff contributes 10% of his/her basic pay every month. The Trust collects both contributions and remits to PPF every end of the concerned month. The Trust contribution is charged to income and expenditure account on accrual basis.

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 charged to income and expenditure account on accrual basis.

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COMPUTERS TZS'000'	MOTOR VEHICLES TZS'000'	OFFICE FURNITURE & EQUIPMENT TZS'000'	31.12.2009 TOTAL TZS'000'
COST AS AT 01.1.2009	16,343	193,672	44,418	254,433
ADDITIONS	3,347	0	2,464	5,811
COST AS AT 31.12.2009 (A)	19,690	193,672	46,882	260,244
ACCUMULATED DEPRECIATION AS AT 01.1.2009	3,491	109,726	27,974	141,191
CHARGE FOR THE YEAR	2,286	39,713	4,203	46,202
ACCUMULATED DEPRECIATION AS AT 31.12.2009 (B)	5,777	149,439	32,177	187,393
NET BOOK VALUE AS AT 31.12.2009 (A-B)	13,913	44,233	14,705	72,851
NET BOOK VALUE AS AT 31.12.2009	12,852	83,946	16,444	113,242

NOTE 3 : INVESTMENTS IN SHARES

Unquoted Shares	31.12.2009 TZS'000'	31.12.2008 TZS'000'
Njombe Community Bank Ltd	100,000	0
Mwanga Rural Community Bank Ltd	39,398	31,360
Meru Community Bank Ltd	20,000	0
Tandahimba Community Bank Ltd	20,000	20,000
TOTAL	179,398	51,360

NOTE 4: ENDOWMENT FUND

The Bank of New York	765,575	530,505
ShoreCap International	383,720	338,165
Barclays Bank (T)	47,935	44,810
TOTAL	1,197,230	913,480
Endowment Fund is a long term investment for the future sustainability of the Trust. The Funds are invested in Sterling Pounds at The Bank of New York Mellon in the UK and ShoreCap International of USA and in US Dollars at the Barclays Bank Tanzania Limited		
	31.12.2009 TZS'000'	31.12.2008 TZS'000'

NOTE 5: LOAN PORTFOLIO

Apex Bodies	169,645	184,048
Women Groups (Upatu)	696,980	319,851
Food Processor	377,519	175,942
Gatsby Clubs	110,987	113,964
Individuals	65,754	134,173
Wholesale	966,928	731,877
Low Cost Housing	<u>27,602</u>	<u>0</u>
TOTAL LOANS	2,415,415	1,659,855
Less: Provision for Impairment	<u>168,372</u>	<u>0</u>
NET LOANS	2,247,043	1,659,855
Staff Loans	<u>15,887</u>	<u>0</u>
TOTAL LOAN PORTFOLIO	<u>2,262,930</u>	<u>1,659,855</u>

NOTE 6: CASH AND BANK BALANCES

Cash on Hand	457	1,477
Cash at Bank	<u>3,101,707</u>	<u>1,223,290</u>
TOTAL	<u>3,102,164</u>	<u>1,224,767</u>

NOTE 7: EXCESS FUND REFUNDABLE

	STG£	
Received	300,000	629,700
Less: Spent		
Tourism Linkage Programme	60,000	125,940
TGT Administrative Expenses	87,500	183,662
Sub Total	147,500	309,602
TOTAL	<u>152,500</u>	<u>320,098</u>

The balance of Stg 152,500 (Equivalent to TZS 320,098,000) was returned to GCF on 07 January 2010.

NOTE 8: DEFERRED INCOME

Interest on Loans	52,500	59,284
Project Funds	571,311	0
TOTAL	623,811	59,284

NOTE 9: PROJECTS' GRANTS

	2009 TZS'000'	2008 TZS'000'
Cotton and Textile Development Programme	2,208,911	803,250
TGT's Core cost	509,140	174,685
Community Banks Association	273,873	116,100
Tourism linkage	256,590	0
Exchange difference top-up	59,220	0
Strategic Plan 2009 - 2013 preparation	26,905	0
College of Engineering Technology	0	229,120
From Kilimo Trust for TTBP	49,917	112,854
From Ford Foundation	21,254	9,383
From Ashden	2,754	0
From McKnight Foundation	51,968	0
From the World Bank	51,968	0
TOTAL	3,512,500	1,445,392

NOTE 10: INTEREST ON LOANS

Apex Bodies	40,285	0
Low Cost Housing	4,836	0
Individuals	3,460	51,461
Wholesale	68,413	95,141
Gatsby Clubs	20,001	32,648
Food processors	79,248	27,987
Women Groups (Upatu)	149,071	112,059
TOTAL	365,314	319,296

NOTE 11: OTHER INCOME

11.A

Microfinance		
Interest on bank accounts	8,332	31,445
Bad debts recovered	9,573	11,279
Loans processing fees	17,661	6,095
Write back of provision no longer required	0	73,074
SUB-TOTAL	35,566	121,893

11.B

Projects		
Projects managing fees	131,435	113,990
Fees for use of conference room	1,050	450
Donation from Synergoes	1,277	3,480
Exchange Difference	99,473	0
Trade fair participation	5,702	0
Dividend From Mwanga Rural Community Bank	11,421	85,026
SUB-TOTAL	250,358	202,946
TOTAL	285,924	324,839

NOTE 12: PROJECT COSTS

	2009 TZS'000'	2008 TZS'000'
Community Banks Association	206,517	232,278
Cotton And Textile Development Programme	1,460,610	389,150
College Of Engineering Technology	35,954	159,557
Low Cost Housing - Personnel Costs & Traveling	31,532	36,163
Tanzania Tree Biotechnology Project	106,375	56,998
TVBI Programme Expenditure	16,055	0
TOTAL	1,857,043	874,146

NOTE 13: ADMINISTRATIVE EXPENSES

	Allocated to MF 2009	Charged to Projects 2009	Total per year 2009	Less allocated to MFI 2008	Charged to Projects 2008	Total per year 2008
	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000
Audit Fees	7,488	1,872	9,360	616	2,464	3,080
Bank Charges	0	2,710	2,710	808	3,233	4,041
Board/Various Committees Meeting Exps	30,397	7,600	37,997	2,560	10,241	12,801
Consultancy Fees (F/ Foundation)	16,933	4,233	21,166	680	2,718	3,398
Electricity & Water	2,102	525	2,627	623	2,491	3,114
Entertainment	809	202	1,011	452	1,806	2,258
Exchange Loss	0	0	0	56,153	224,610	280,763
Filing Fees	63	16	79	15	58	73
Fuel Expenses	2,741	685	3,426	1,077	4,306	5,383
General Insurance	5,463	1,366	6,829	2,009	8,034	10,043
Gratuity Exp	0	49,374	49,374	13,361	53,443	66,804
Internet Charges	4,119	1,030	5,149	729	2,918	3,647
Traveling expenses	9,456	2,364	11,820	1,525	6,103	7,628
Management Fees	0	95,392	95,392	25,162	100,652	125,814
Medical Insurance	0	15,635	15,635	2,450	9,806	12,236
Motor Vehicles Running Expenses	8,750	2,188	10,938	1,967	7,868	9,835
Office Expenses	4,961	1,241	6,202	2,497	10,388	12,885
Sub Total c/f	93,282	186,433	279,715	112,684	451,139	563,823

NOTE 13: ADMINISTRATIVE EXPENSES (CONTINUED)

	Allocated to MF 2009	Charged to Projects 2009	Total per year 2009	Less allocated to MF 2008	Charged to Projects 2008	Total per year 2008
	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000
Sub Total b/f	93,282	186,433	279,715	112,684	451,139	563,823
Office Rent	18,233	4,558	22,791	4,056	16,222	20,278
Printing and Stationery	4,561	1,140	5,701	1,200	4,802	6,002
Professional Fees	3,326	832	4,158	0	0	0
Publications	11,019	2,755	13,774	3,987	15,949	19,936
Repairs and Maintenance	3,262	815	4,077	468	1,872	2,340
Staff Costs	0	25,230	25,230	2,996	11,986	14,982
Staff Incentives	0	3,338	3,338	4,344	17,374	21,718
Strategic Plan Expenses	16,230	4,057	20,287	0	0	0
Subscription & Donations	3,996	999	4,995	768	3,072	3,840
Telephone & Postage/Courier Charges	13,659	3,414	17,073	2,873	11,494	14,367
Total	167,568	233,571	401,139	133,376	533,910	667,286

NOTE 14: DIRECT LENDING COSTS

	2009	2008
	TZS'000'	TZS'000'
Bank Charges	1,934	0
Other Expenses	7,014	0
Food Processors Expenses	4,644	3,218
Loan Agreement Processing Fees	720	0
Gatsby Club Expenses	12,870	1,011
Coordinators' Expenses	4,417	4,665
Upatu Women Group Expenses	10,442	7,361
Personnel Costs - Mainland	119,847	43,419
Korogwe Branch Expenses	5,908	0
Zanzibar Branch Expenses	102,860	72,141
Bad Debts	0	18,570
Provision for Impairment Loss on Loans	179,191	0
TOTAL	449,847	150,385

NOTE 15: OTHER EXPENSES

15.A

Microfinance		
Trade fair - SME's internal	36,433	15,356
Trade fair - SME's external	0	56,489
Traveling	5,441	12,319
Monotoring and Evaluation of TGT's Programmes	0	7,885
Business information and Networking	0	2,310
Allocation of management fees	14,343	27,206
Support to SMEs	4,187	3,900
SUB-TOTAL	60,404	125,465

15.B

Projects		
Training courses/workshops/seminars	24,881	54,132
News letter expenses	0	1,335
Strategic Plan preparation expenses	0	16,226
Inter Trust Seminar Expenses	1,261	10,652
Withholding Tax on Interest	3	167
Depreciation	46,202	47,382
SUB-TOTAL	72,347	129,894
TOTAL	132,751	255,359

NOTE 16: TAXATION

The Trust has been filing tax returns since its inception.

NOTE 17: CAPITAL COMMITMENTS

There were no capital commitments as at 31st December, 2009.

NOTE 18: CONTINGENT LIABILITIES

There were no contingent liabilities as at 31st December, 2009.

NOTE 19: COMPARATIVE FIGURES

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

NOTE 20: ABBREVIATIONS

GCF	Gatsby Charitable Foundation
MF	Microfinance
NBC	National Bank of Commerce, Plc
NMB	National Microfinance Bank, Plc
SME	Small and Medium Enterprises
TGT	Tanzania Gatsby Trust
TTBP	Tanzania Tree Biotechnology Project
TVBI	Tanzania Virtual Business Incubator (A World Bank financed programme)
UPATU	Swahili word for Self-help credit scheme among women groups
NBAA	National Board of Accountants & Auditors Tanzania
VETA	Vocational Education Training Authority
MFI	Microfinance Institutions
NFS	Non Financial Services
NGO	Non Governmental Organization
M&E	Monitoring and Evaluation
WED	Women Entrepreneurships Development

OUR OFFICES & CONTACTS



Tanzania
Gatsby
Trust

Partnering in Poverty Alleviation

Partnering in Poverty Alleviation

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Tanzania
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Partnership in Poverty Alleviation Trust

SMEs Partner in Poverty Alleviation in Tanzania