

**FOUNDATION FOR ENVIRONMENTAL
PROTECTION IN TANZANIA (FEPT)**

**GOVERNANCE REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

OCTOBER 2022



ANCASSOCIATES
Certified Public Accountants in Public Practice

Audit and Assurance - Tax Consultants - Transactions and Advisory Services

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

**REPORT OF THE NGO GOVERNING BOARD AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

| CONTENTS | PAGE |
|---|-------------|
| NGO General Information | 1 |
| Narrative Report of the NGO's Activities | 2 - 8 |
| Declaration of Head of Finance | 9 |
| Report of the Independent Auditors | 10 - 12 |
| FINANCIAL STATEMENTS | |
| - Statement of Financial Performance | 13 |
| - Statement of Financial Position | 14 |
| - Statement of Changes in Accumulated Funds | 15 |
| - Statement of Cash Flows | 16 |
| - Explanatory Notes to the Financial Statements | 17 - 23 |
| - Tax Computations | 24 |

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

ORGANISATION GENERAL INFORMATION

| | |
|----------------------------|---|
| NGO's Name | FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT) |
| Registration Number | 00NGO/R/1180 |
| Area of intervention | Environment |
| Operational/Catchment Area | National (Tanzania Mainland) |
| Permanent Address | Foundation for Environmental Protection in Tanzania P.O Box310, Arusha. Email: info@fepttz.org Website: www.fepttz.org Phone: +255767966671 |
| Bankers | CRDB P. O. Box 3150, Arusha Tanzania. |
| Auditors | ANC ASSOCIATES Certified Public Accountants In Public Practice P. O. Box 2165 Arusha, Tanzania. E Mail - info@ancassociates.co.tz Website - www.ancassociates.co.tz |

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

**REPORT OF THE NGO GOVERNING BOARD FOR THE YEAR ENDED 31ST DECEMBER
2021**

1. ORGANISATION DESCRIPTION

Foundation for Environmental Protection in Tanzania (FEPT) is a youth-led NGO, based in Arusha, Tanzania focusing on making environmental change by positively influencing communities through the designing and implementation of environmental programs which create sustainability and make the Earth a better place to live. FEPT aims at supporting community in mitigating impact of climate change through climate advocacy, land restoration and promoting sustainable land-uses in Tanzania. It works closely with stakeholders as well as local communities in designing and implementing interventions that mitigate against adverse effects of global warming, desertification, improper land-use, wildlife crimes and human-wildlife conflicts, poor waste management and knowledge gap in conservation and protection of ecosystems.

2. OPERATION LEGAL MANDATE

Foundation for Environmental Protection in Tanzania was incorporated in The United Republic of Tanzania in 2020 under the Non-Governmental Organization Act, made under section 12(2) Act No.24 of 2002, with a Registration Number 00NGO/R/1180.

3. VISION AND MISSION

3.1 Vision Statement

Community with safe environment and climate for development.

3.2 Mission Statement

To create and deliver transformative environmental protection solutions that enhance safe lives in partnership with Government, international organizations, environmental experts and local communities.

4. CORE VALUES

Organization members are promoting the following core values;

- ❖ Integrity
- ❖ Responsibility
- ❖ Accountability
- ❖ Fairness
- ❖ Transparency.

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

REPORT OF THE NGO GOVERNING BOARD FOR THE YEAR ENDED 31ST DECEMBER
2021 *(Continued)*

5. OBJECTIVES OF THE NGO'

The primary and general Objectives of the NGO are to:

1. Promoting protection of Tanzania Environment.
2. Enhancing community engagement in environmental protection
3. Advocating for formulation of institutional laws and regulation and their implementation for environmental protection

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

REPORT OF THE NGO GOVERNING BOARD FOR THE YEAR ENDED 31ST DECEMBER 2021 (Continued)

6. LIST OF GOVERNING BOARD MEMBERS AND THEIR AFFILIATIONS

| S/N | Name | Qualification | Sex | Position | Nationality | Year of Admission |
|-----|---------------------|---|-----|--------------------|-------------|-------------------|
| 1. | Mr. Claud Gwandu | Diploma in Journalism | M | Chairperson | Tanzanian | 2021 |
| 2. | Mr. Peter Mhagama | Bachelor's degree in Accounting and Finance | M | Executive Director | Tanzanian | 2020 |
| 3. | Mrs. Jane Messo | Bachelor's degree in Banking and Finance | F | Treasurer | Tanzanian | 2021 |
| 4. | Ms. Stella Mtega | Master's degree in International Business, ACCA (UK) | F | Director | Tanzanian | 2021 |
| 5. | Mr. Hillary Sandewa | Bachelor's degree in Accounting and Finance, ACCA (UK) | M | Director | Tanzanian | 2021 |
| 6. | Mr. Abdallah Lungo | Bachelor's degree of Science in Nature Conservation and Eco-tourism | M | Director | Tanzanian | 2021 |
| 7. | Mrs. Zulfa Mfinanga | Bachelor's degree in Journalism | F | Director | Tanzanian | 2021 |

Directors were not entitled to be paid any fee during the year. They offer their services voluntarily.

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

**REPORT OF THE NGO GOVERNING BOARD FOR THE YEAR ENDED 31ST DECEMBER
2021 (Continued)**

7. FUTURE PLANS

| S/N | NAME OF ACTIVITY/PROGRAM | OPERATIONAL/CATCHMENT AREA |
|-----|--|----------------------------|
| 1. | Planting 10,000 trees | Arusha |
| 2. | Formation and strengthening of Youth Environmental Clubs in schools (selected schools) | Arusha |
| 3. | Undertake waste management project | Arusha |

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

**REPORT OF THE ORGANISATION GOVERNING BOARD FOR THE YEAR ENDED
31ST DECEMBER 2021 (Continued)**

8. PROGRAMS AND ACTIVITIES BUDGETS FOR THE YEAR 2021

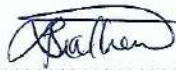
| S/N | NAME OF ACTIVITY/PROGRAM | BUDGET (TZS) |
|-----|--|-------------------|
| 1 | Recruitment and Training of 30 community workers (Phase 1&2) | 6,466,000 |
| 2 | Purchase and planting of (5000) trees | 17,280,000 |
| 3 | Provision of ongoing education to students on tree planting and environmental protection | 2,520,000 |
| 4 | Strengthening of environmental clubs | 1,620,000 |
| 5 | Environmental education Program on the local community radios | 2,130,000 |
| 6 | Purchase and planting of 10,000 trees | 31,472,000 |
| 7 | Printing and distribution of brochures | 300,000 |
| 8 | Printing of Roller banner | 300,000 |
| 9 | Workshop for environmental club teachers | 1,630,000 |
| 10 | Mid-Project evaluation and assessment & Board meeting | 1,835,000 |
| 11 | Conducting online dialogue with influencers on climate change and reforestation. | NIL |
| 12 | Personnel costs | 8,820,000 |
| 13 | Operational and Project support costs | 8,750,000 |
| | TOTAL | 83,123,000 |

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

REPORT OF THE ORGANISATION GOVERNING BOARD FOR THE YEAR ENDED
31ST DECEMBER 2021 *(Continued)*

9. AUDITORS

The auditors **ANC ASSOCIATES** have expressed their willingness to continue in office for the next financial year.


.....

Director

10/11/2022
.....

Date

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31ST DECEMBER 2021

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned. It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Governing Board/Management.

I Emmanuel A. Kamano being the Person who prepared the Financial Statements of **FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA** hereby acknowledge my responsibility of ensuring that financial statements for the period ended 31 December 2021 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Empower Tanzania as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Emmanuel A. Kamano

Position: ACCOUNTANT

NBAA Membership No.: GA 10768

Date: 10/11/2022



ANC ASSOCIATES

Certified Public Accountants in Public Practice

P. O. BOX 2165, ARUSHA - TANZANIA, EAST - AFRICA
PHONE: +255 (0) 739 206 414, +255 (0) 754 381 230.
Info@ancassociates.co.tz | WEB: www.ancassociates.co.tz
India Street, Somali Road, New Safari Hotel Business Centre
3rd Floor, Room No. 406

REPORT OF THE INDEPENDENT AUDITORS

To the Members of

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA INCORPORATED (FEPT)

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA**, which comprise the Statement of Financial Position as at 31st December 2021, and the Statement of Financial Performance and Statement of Cash Flows for the year then ended, and notes to the financial statements including a Summary of Significant Accounting Policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NGO as at 31st December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters, in our professional judgement, were of most significance in our audit of the financial statement of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the period under review, we have not come up with the significant key issues, which we need to be reported.

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

REPORT OF THE INDEPENDENT AUDITORS *(Continued)*

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

Report on other Legal Requirements

As required by the Audit agreements we report to you, based on our audit, that:

- We have reviewed Foundation for Environmental Protection in Tanzania risk management, control and governance arrangements and confirm that the system of Internal Control is reliable, accurate and strong and we recommended areas of improvement.
- We have also carefully examined all funds received from Canadian Embassy in Tanzania and provide an assurance that they have been used by Foundation for Environment in Tanzania for the intended purpose.
- Consequently, a careful examination of Foundation for Environmental Protection in Tanzania's financial records were performed, and provide an assurance that, funds received have been accounted for correctly and accurately.

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

REPORT OF THE INDEPENDENT AUDITORS (Continued)

EMPHASIS OF MATTER

Going Concern

Without modifying our report, the NGO depends on one donor for its funds to finance its activities. However, since Canadian Embassy have shown interest to continue to finance the projects undertaken, the board is confident that funds can be contributed by the Donors to enable the NGO to continue in its activities.

ARUSHA

11/11/2022



Audit and Assurance Partner
CPA EDWIN ALEXANDER ACPA-PP [3001]

ANC ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANT IN PUBLIC PRACTICE




FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2021

| | Notes | 2021 | 2020 |
|--|-------|--------------------------|-----------------|
| Revenue | | TZS | TZS |
| Revenue from Non - Exchange transactions | 2.1 | 53,524,902 | - |
| Revenue from Exchange transactions | | - | - |
| Total Revenue | | <u>53,524,902</u> | <u>-</u> |
| EXPENDITURE | | | |
| Personnel Expenses | 3 | 5,440,000 | - |
| Project program Expenses | 4 | 39,976,000 | - |
| Administration Expenses | 5 | 6,396,667 | - |
| Finance Expenses | 6 | 258,902 | - |
| Total Expenses | | <u>52,071,569</u> | <u>-</u> |
| Surplus for the year | | <u>1,453,333</u> | <u>-</u> |

These financial statements were approved by the board of directors on ~~31~~ 31, 12, 2021 and signed on its behalf by:


.....

PETER MHAGAMA

Executive Director


.....

JANE MESSO

Finance & Administration Officer

10/11/2022
.....

Date

10/11/2022
.....

Date

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA
 STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

| ASSETS | Notes | 2021 TZS | 2020 TZS |
|----------------------------------|-------|-------------------|-------------|
| Current assets | | | |
| Cash and cash equivalents | 7 | 12,817,595 | - |
| Receivables | | - | - |
| | | <u>12,817,595</u> | - |
| Non-Current assets | | | |
| Property, Plant & Equipment | 8 | 2,279,333 | - |
| | | <u>2,279,333</u> | - |
| TOTAL ASSETS | | <u>15,096,929</u> | - |
| NET ASSET AND LIABILITIES | | | |
| Current liabilities | | | |
| Account Payables | 9 | 13,643,595 | - |
| | | <u>13,643,595</u> | - |
| ACCUMULATED FUNDS | | | |
| Accumulated Funds | | 1,453,333 | - |
| | | <u>1,453,333</u> | - |
| TOTAL NET ASSET | | <u>15,096,929</u> | - |

These financial statements were approved by the board of directors on 31.12.2021 and signed on its behalf by:

Peter Mhagama

PETER MHAGAMA
 Executive Director

10/11/2022

Date

Jane Messo

JANE MESSO
 Finance & Administration Officer

10/11/2022

Date

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

STATEMENT OF ACCUMULATED FUNDS FOR YEAR ENDED 31ST DECEMBER 2021

| | Accumulated Fund | Total |
|------------------------|---------------------|------------------|
| | TZS | TZS |
| As at 1 January 2021 | - | - |
| Surplus for the Year | <u>1,453,333</u> | <u>1,453,333</u> |
| As at 31 December 2021 | <u>1,453,333</u> | <u>1,453,333</u> |

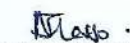
These financial statements were approved
by the board of directors on
31st / 12th 2021 and signed on its behalf
by:



.....

PETER MHAGAMA

Executive Director



.....

JANE MESSO

Finance & Administration Officer

10/11/2022

Date

10/11/2022

Date

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

STATEMENT OF CASHFLOWS FOR YEAR ENDED 31ST DECEMBER 2021

| | | 2021 | 2020 |
|---|-------|---------------------|------|
| | Notes | TZS | TZS |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash Receipts | 10.3 | 53,524,902 | - |
| Cash Payments | 10.4 | <u>(37,357,307)</u> | - |
| Net Cash generated from operations | | <u>16,167,595</u> | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of PPE | | (3,350,000) | - |
| Disposal of PPE | | - | - |
| Net cash used in financing activities | | <u>(3,350,000)</u> | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Loan Received | | - | - |
| Grants Received | | - | - |
| Net cash from in financing activities | | - | - |
| Net increase Cash and Cash Equivalents | | 12,817,595 | - |
| CASH AND CASH EQUIVALENTS AT | | | |
| Beginning of the Period | | - | - |
| End of the Period | 7 | <u>12,817,595</u> | - |

These financial statements were approved by the board of directors on 31.12.2021 and signed on its behalf by:

Peter Mhagama

PETER MHAGAMA

Executive Director

Jane Messo

JANE MESSO

Finance & Administration Officer

10/11/2022

Date

10/11/2022

Date

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA(FEPT)

FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST DECEMBER 2021

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

p

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets. The principal accounting policies are set out below.

1.2 Statement of compliance

These financial statements have been prepared in accordance with the International public sector Accounting Standardards (IPSASs).

1.3 Summary of significant accounting policies

a) Receipts

This comprises funds received from Donors and other income. They are recognised on Accrual basis.

b) Foreign Currency translation

The income and expenditure statement is presented in Tanzania Shillings. Funds received from Donors were translated to Tanzania Shillings at the transaction dates prevailing exchange rate.

c) Trade and other payables

Trade payables do not carry any interest and are stated at their nominal value of the consideration to be paid in the future for goods and services received, whether or not billed to the NGO

FOUNDATION FOR PROTECTION ENVIRONMENTAL IN TANZANIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST DECEMBER 2021 NOTES (Continued)

d) Property, Plant and Equipment

Property Plant and Equipment is stated at cost less accumulated depreciation and accumulated impairment in value. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset is included in the income statement in the year the asset is derecognized.

The asset's residue values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year. Depreciation on Property Plant and Equipment is calculated on straight-line method at the following annual rates: -

| Class of Asset | Rate in % | Years |
|-------------------------|-----------|-------|
| Building and structure | 4 | 25 |
| Motor vehicles & Cycles | 25 | 4 |
| Plant and Equipment | 25 | 4 |
| Computer & accessories | 33.33 | 3 |
| Furniture and equipment | 20 | 5 |

e) Trade and other receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for the estimated un coverable amounts.

f) Cash and cash equivalents

For the purpose of the cash flow, statement cash and cash equivalent comprise cash on hand and at bank.

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST DECEMBER 2021 NOTES
(Continued)

| | 2021 | 2020 |
|---|-------------------|----------|
| | TZS | TZS |
| REVENUE | | |
| REVENUE FROM NON- EXCHANGE TRANSACTION | | |
| 2.1 Grants Received | 61,938,097 | - |
| Deferred revenue | (12,817,595) | |
| 2.2 Donations | 4,404,400 | - |
| TOTAL REVENUE | 53,524,902 | - |
| 3 PERSONNEL EXPENSES | | |
| Wages & Salaries | 5,440,000 | - |
| NSSF Pension Contributions - Employer | - | - |
| Skills & Development Levy | - | - |
| WCF Contributions | - | - |
| Staff Medical Expenses | - | - |
| | 5,440,000 | - |
| 4 PROJECTS EXPENSES | | |
| Stationaries | 1,170,000 | - |
| Transport of project materials | 3,990,000 | - |
| Seminars Workshops | 7,026,000 | - |
| Allowances& Per diems field activities | 6,960,000 | - |
| Community project activities awareness | 1,410,000 | - |
| Purchases Tree seedlings | 19,000,000 | - |
| Rain boots for community worker | 420,000 | - |
| | 39,976,000 | - |

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST DECEMBER 2021 NOTES
(Continued)

5 ADMINISTRATION EXPENSES

| | | |
|---------------------|------------------|----------|
| Office Rent | 3,000,000 | |
| Audit fee | 826,000 | |
| Website Development | 1,500,000 | - |
| Depreciation | <u>1,070,667</u> | |
| | <u>6,396,667</u> | <u>-</u> |

6 FINANCE EXPENSES

| | | |
|-----------------------|--------------------------|-----------------|
| Bank Charges | <u>258,902</u> | <u>-</u> |
| | <u>258,902</u> | <u>-</u> |
| TOTAL EXPENSES | <u>52,071,569</u> | <u>-</u> |

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST DECEMBER 2021 NOTES
(Continued)

| 7 CASH & BANK | 2021 | 2020 |
|---|-------------------|----------|
| | TZS | TZS |
| CRDB TZS A/c - | 12,817,595 | - |
| | <u>12,817,595</u> | <u>-</u> |
| 8 RECEIVABLES | | |
| Staff Receivables | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| 9 ACCOUNT PAYABLES | | |
| 9.1 Payroll & Other Statutory Payables | | |
| WCF Payable | - | - |
| NSSF Payable | - | - |
| PAYE Payable | - | - |
| WHT Payable | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| 9.2 Other Payables | | |
| Audit Fee Payable | 826,000 | - |
| Deferred revenue* | 12,817,595 | - |
| Other | <u>-</u> | <u>-</u> |
| | <u>13,643,595</u> | <u>-</u> |
| TOTAL PAYABLES | <u>13,643,595</u> | <u>-</u> |

***Deferred revenue**

The income received is for continuing project that will effectively be used in the next financial year.

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST DECEMBER 2021 NOTES
(Continued)

| 10 CASH FLOW WORKINGS | 2021 | 2020 |
|--|--------------------------|-----------------|
| 10.3 Cash Receipts | TZS | TZS |
| Opening Balance - Receivables | - | - |
| Revenue from Exchange Transactions | - | - |
| Revenue from Non Exchange Transactions | 53,524,902 | - |
| Less: Other non - cash items | - | - |
| <i>Less:</i> Closing Balance - Receivables | - | - |
| Cash Receipts during the Year | <u>53,524,902</u> | <u>-</u> |
| 10.4 CASH PAYMENTS | | |
| Opening Balance - Payables | - | - |
| Personnel Expenses | 5,440,000 | - |
| Project Program Expenses | 39,976,000 | - |
| Administration & Other Expenses | 6,396,667 | - |
| Finance Expenses | 258,902 | - |
| Less: Non-cash items | (1,070,667) | - |
| Prior Year Adjustments | - | - |
| <i>Less:</i> Closing Balance - Payables | <u>(13,643,595)</u> | - |
| Cash Payments during the Year | <u>37,357,307</u> | <u>-</u> |

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST DECEMBER 2021 NOTES (Continued)

15 EFFECTS OF COVID - 19

The emerging of COVID-19 pandemic will have significant effects on SOLVENCY and ultimately the GOING CONCERN of the Organization. These facts are due to the effects observed by the management for the year 2020/2021 in the Organizations operations. The following areas were so much affected which will result in the Organization failure to run in the normal ways.

- a) Decrease in apprenticeship program Revenues from Historic Partners (Tourism Companies) due to the Economic hit to the tourism industry.
- b) Decrease in Donations as many foundations have shifted their funding strategies and priorities towards areas such as education and youth empowerment towards health, due to the Pandemic.
- c) Our organization lost 40% of its income from Pre - Covid times.

16 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 DECEMBER 2021, the Organization had neither Capital commitments nor Contingent Liabilities

17 FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The organization manages credit risk by finding new with maintaining the long-term contracts with donors for grants financing. FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA(FEPT) has such low Risk.

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST DECEMBER 2021 NOTES (Continued)

(b) Currency risk

Foreign currency risk is the risk that the Organization future cash flows will fluctuate because of changes in foreign exchange rates. Grants from donors are committed in foreign currency and converted into Tanzanian shillings at the rate ruling on the receipt date. FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT) has no such Risk.

(c) Liquidity risk

The Organization monitors the risk of shortage of funds through forecast of future cash flows to meet its obligations and pursue long-term contractual commitments. FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT) has no such Risk.

18 EMPLOYEES

The Organization had Three (3) permanent employees during the year 2021.

19 COMPARATIVE FIGURES

There are comparative figures because the NGO started its operation during 2021.

20 CURRENCY

These financial statements are expressed in Tanzania Shillings (TZS).

FOUNDATION FOR ENVIRONMENTAL PROTECTION IN TANZANIA (FEPT)

INCOME TAX COMPUTATION

YEAR OF INCOME 2021

| | NOTE | TZS | TZS |
|--|------|----------------|---------------------|
| Income from Donations | | | 53,524,902 |
| Less: Income Applied in Pursuit of Organization functions | | | |
| Personnel Expenses | 3 | 5,440,000 | |
| Project / Program Expenses | 4 | 39,976,000 | |
| Administration Expenses | 5 | 6,396,667 | |
| Finance Expenses | 6 | <u>258,902</u> | <u>52,071,569</u> |
| Surplus / unapplied Income | | | 1,453,333 |
| Less: 25% Gross Income (Additional Allowance) | | | <u>(13,381,226)</u> |
| Chargeable Loss | | | <u>(11,927,892)</u> |
| Current tax expense at 30% | | | <u>-</u> |

