

THE ONE NEW HEART TANZANIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(Registration number 00NGO/00010134)

TIN: 139-107-721

**THE ONE NEW HEART TANZANIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
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LIST OF ACRONYMS AND ABBREVIATIONS

IFRS SMEs	International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)
NBAA	The National Board of Accountants and Auditors
ISAs	International Standards on Auditing
IESBA	International Ethics Standards Board for Accountants
TZS	Tanzanian Shillings
USD	United State Dollars
IASB	International Accounting Standards Board
TONHT	The One Heart Tanzania
NGO	Non-Governmental Organization

**THE ONE NEW HEART TANZANIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Organization information

Registered office	P O Box 503 Bariadi District Simiyu Tanzania
Founder Members	Dr Abdulmajid M. Mbarouk Magreth Elias Stephen Mayani Kulwa Clement Dr. Peter K.C. Chille Lydia Mongi Mary Nsiya Godfrey A. Maro Steven Damian
Independent auditors	Ark Partners Certified Public Accountants P O Box 9673 Oysterbay Dar es Salaam Tanzania info@ark.co.tz
Principle bankers	CRDB BANK WATERFRONT BRANCH Centre Branch, Gerezani street Dar es salaam, Tanzania
Tax revenue office address	Tanzania Revenue Authority (TRA) P O Box 679 Dodoma

**THE ONE NEW HAERT TANZANIA
STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Introduction

Organization hereby submits their annual report together with the audited financial statements for the year ended 31 December 2021. The Financial report disclose the state of financial affairs of the organization as at that date.

2. Background

The One New Heart Tanzania is a registered Tanzanian non-profit organization dedicated to improving cardiac health of the African Child through supporting and facilitating provision of pediatric cardiac treatment to all children especially those in financial needs. The One New Heart Tanzania was registered in Tanzania on 11 March 2019 under the Tanzania Non-Governmental Organizations Act, 2002 and given a certificate number 00NGO/00010134

3. Principal activities

The One New Heart Tanzania organizes and supports pediatrics treatments to all children in Tanzania including other neighboring African countries. The organization achieves this mission through sourcing of various funds and expertise by way of donations in the form of cash and in-kind support (volunteer medical doctors who from time to time come to visit Tanzania to provide pediatric cardiac treatments in Tanzania).

4. Objectives of the organization

- a) To facilitate and enhance pediatrics cardiac operation camps
- b) To support and facilitate lifesaving pediatrics cardiac surgeries
- c) To facilitate pediatrics cardiac follow-up and clinics
- d) To promote and enhance the availability of pediatrics cardiac health education and awareness to the society
- e) To enhance the pediatrics Cath lab diagnostic interventions

5. Program activities conducted during the period

During the year, the organization managed to provide screening, Interventional Cardiac Catheterization (Cath), and open-heart surgery treatment to 238 children (2020: 24 children) as follows:

	2020	2021
Screening Services	24	220
Interventional Cardiac Catheterization	-	4
Open Heart Surgery	-	14
	<u>24</u>	<u>238</u>

6. Source of funds

The organization receives funding from grants and donations from both private and corporate entities. In addition, the organization receives in-kind donations from volunteers in the field of medicine in different life saving missions.

**THE ONE NEW HAERT TANZANIA
STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Governance

The management takes overall responsibility for the organization, including responsibility for identifying key risk areas, considering, and monitoring organization decisions, considering significant financial matters, and reviewing the performance of management, organization plans, budgets, and forecasts. Management is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for compliance with sound and best governance principles. This includes ensuring satisfaction on the below for the period under review:

- Activities of the organization are properly supported.
- Adequate accounting records were maintained.
- An effective system of internal control and risk management, monitored by management was maintained.
- Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently; and
- The fund accountability statement complied with agreement terms and applicable laws and regulations.

8. Environmental matters

The organization complied with standards of Safety and Environmental Laws and Regulations established by various authorities to the best of its knowledge.

9. Future outlook

The organization aims to see an African Child Community with free access to cardiac treatment free of charge, irrespective of their social or financial status. TONHT aims to implement this life saving mission along with different stakeholders including the Tanzanian Government

10. Political donations

The One New Heart Tanzania did not make any political donations during the period.

11. Employee welfare

The organization is an equal opportunity employer. Whenever employment opportunity arises, the organization gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion, and disability, which does not impair the ability to discharge duties.

12. Auditors

The auditors, Ark Partners have expressed their willingness to continue in office as auditors and are eligible for re-appointment in accordance with the relevant requirements.

Approved and signed on its behalf by:



Godfrey Maro, Founder Member

15 Nov 2022

Date

**THE ONE NEW HAERT TANZANIA
STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Companies Act, 2002 requires the Management to prepare financial statements for each financial period which give a true and fair view of the situation of the organization as at the end of the financial period and of its operating results for that period. It also requires the Management to ensure that the organization keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the organization. They are also responsible for safeguarding the assets of the organization.

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act, 2002 and for such internal controls as Management determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management accepts responsibility for the semi-annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act, 2002. The Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organization and of its operating results. The Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Management has assessed the ability of The One New Heart Tanzania to continue as a going concern and has no reason to believe that the organization will not be a going concern in the year ahead.

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

Approval of financial statements

The financial statements of The One New Heart Tanzania, as identified in the first paragraph, were approved by the management, and signed on its behalf by:



Godfrey Maro, Founder Member

15 Nov 2022

Date

**THE ONE NEW HEART TANZANIA
DECLARATION OF THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 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 Statement of Declaration issued by the Head of Finance responsible for the preparation of financial statements of the activities concerned.

It is the duty of a professional accountant to assist the management to discharge the responsibility of preparing financial statements of the organization showing a true and fair view position of the organization in accordance with the relevant accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the organization management.

I, Maria L. Ndalichako being the **Outsourced accountant** of The One New Heart Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2021 have been prepared in compliance with applicable accounting standards.

I thus confirm that the financial statements comply with applicable accounting standards as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Maria L. Ndalichako 

Position: Outsourced Accountant

NBAA Membership No. GA 8986

Date: 16th November 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ONE NEW HEART TANZANIA**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The One New Heart Tanzania, which comprise the statement of financial position for the year ended 31 December 2021, the statements of profit or loss, and other comprehensive income, changes in head office account and cash flows, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the organization for the year, and of its financial performance and its cash flows for the period, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Tanzania Companies Act, 2002.

Basis for Opinion

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

Other Information

The Management of the organization is responsible for the other information. Other information comprises the information included in the ten months report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. Other than prescribed by the Tanzanian Companies Act, 2002. In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Organization Management for the Financial Statements

The Management is responsible for the preparation of organization financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2002, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ONE NEW HEART TANZANIA

In preparing the financial statements, the Management is responsible for assessing the organization'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 the Management either intends to liquidate the organization or to cease operations, or have no realistic alternative but to do so. The Management is responsible for overseeing the organization'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 are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ONE NEW HEART TANZANIA**

Report on Other Legal and Regulatory Requirements

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

- In our opinion, proper accounting records have been kept by the Organization.
- The individual accounts agree with the accounting records of the Organization; and
- We obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.



.....
John Shimbala (ACPA-PP 3003, FCCA)

For and on behalf of Ark Partners
Certified Public Accountants (T)
Dar es Salaam - Tanzania

Date: 16/11/2022



**THE ONE NEW HEART TANZANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Statement of profit or loss and other comprehensive income

	Notes	2021 TZS '000	2020 TZS '000
Grants	4	554,557	309,870
Direct cost	5	(1,030)	(22,989)
Administrative expenses	6	(555,741)	(289,585)
Profit/loss before tax		<u>(2,214)</u>	<u>(2,704)</u>
Income tax (charge)/ credit	7	(461)	(3,014)
Surplus/(deficit) for the period		<u>(2,675)</u>	<u>(5,718)</u>
Accumulated surplus (deficit) at the beginning of the period		(12,219)	(6,250)
Other comprehensive income		(4,692)	(251)
Accumulated surplus (deficit) at the end of the period		<u>(19,586)</u>	<u>(12,219)</u>

THE ONE NEW HEART TANZANIA
 FINANCIAL STATEMENTS
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Statement of financial position

	Notes	2021 TZS '000	2020 TZS '000
ASSET			
Non-current asset			
Property, plant, and equipment	8	2,080,487	1,803,175
Total non-current assets		<u>2,080,487</u>	<u>1,803,175</u>
Current asset			
Cash and cash equivalent	9	62,931	3,022
Total current assets		<u>62,931</u>	<u>3,022</u>
Total Assets		<u>2,143,418</u>	<u>1,806,197</u>
Represented by			
Equity			
Accumulated surplus (deficit)		(19,586)	(12,219)
Total equity		<u>(19,586)</u>	<u>(12,219)</u>
Liabilities			
Non-current liabilities			
Borrowings	11	5,020	5,020
Total non-current liabilities		<u>5,020</u>	<u>5,020</u>
Current liabilities			
Other payables	10	2,146,078	1,802,615
Current tax payable	7	11,906	10,781
		<u>2,157,984</u>	<u>1,813,396</u>
Total equity and liabilities		<u>2,143,418</u>	<u>1,806,197</u>

The financial statements on pages 10 to 20 were authorized for issue by the Representative of the organization and signed on its behalf by:



 Godfrey Maro, Founder Member

15 Nov 2022

 Date

Report of the Auditor – Page 7-9.

THE ONE NEW HEART TANZANIA
 FINANCIAL STATEMENTS
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Statement of cash flows

	Notes	2021 TZS '000	2020 TZS '000
Operating activities			
Loss before tax		(2,214)	(2,704)
<i>Adjustments for</i>			
Accounting depreciation	8	465,285	282,397
Impact of foreign exchange		(4,028)	560
Net cash from operating activities		<u>459,044</u>	<u>280,253</u>
Cash flow from investing activities			
Purchase of property, plant, and equipment	8	(742,597)	(2,085,572)
Net cash flow from investing activities		<u>(742,597)</u>	<u>(2,085,572)</u>
Financing activities			
Net movement in deferred income	10	343,463	1,802,615
Net cash used in financing activities		<u>343,463</u>	<u>1,802,615</u>
Net increase in cash and cash equivalent		<u>59,909</u>	<u>(2,704)</u>
Movement in cash and cash equivalent			
Cash and cash equivalent at beginning of the year		3,022	5,726
Cash and cash equivalent at the end of the year		<u>62,931</u>	<u>3,022</u>

**THE ONE NEW HEART TANZANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The One New Heart Tanzania was registered in Tanzania on 11 March 2019 under the Non-Governmental Organizations Act, 2002 with a certificate no. 00NGO/00010134.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2002.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis except as otherwise disclosed in the notes.

2.3 Foreign currency translation

The financial statements are presented in Tanzanian Shilling (TZS), which is the organization's functional currency, rounded to the nearest thousands (TZS '000) unless stated otherwise.

2.4 Revenue

The five-step model stipulated in IFRS 15 Revenue from contracts with customers is applied when accounting for revenue from contracts with customers. The Organization accounts for a revenue contract with a customer only when all the following criteria are met:

1. The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to performing their respective obligations.
2. The organization can identify each party's rights regarding the goods or services to be transferred.
3. The organization can identify the payment terms for the goods or services to be transferred.
4. The contract has commercial substance (i.e., the risk, timing or amount of future cash flows is expected to change because of the contract); and
5. It is probable that the organization will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

2.5 Property, plant, and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If there is an indication that there has been a notable change in the useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations. On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognized in profit or loss.

2.6 Employee benefits

The Organization operates various post-employment schemes, including defined contribution pension plans and post-employment medical plans. The Organization has engaged into a contract with Empower

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Limited to offer human resource services where the Organization's employees will be outsourced from Empower Limited.

2.7 Pension obligations

The organization and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme. A defined-contribution plan is a pension plan under which the organization pays fixed contributions into a separate entity. The organization has no legal or constructive obligations to pay further contributions if the fund does not hold enough assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the organization pays contributions to publicly or privately administered plans on a mandatory, contractual, or voluntary basis. The organization has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

2.8 Income tax

2.10.1 Current income tax assets and liabilities

Current income tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset. Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

2.10.2 Deferred income tax assets and liabilities

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

A deferred tax asset is not recognized when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.10.3 Income tax expenses

Current and deferred taxes are recognized as income or an expense and included in profit or loss for the period.

2.9 Provision

Provisions are recognized when the Organization has a present legal or constructive obligation because of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

2.10 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, where the time value of money is material.

2.11 Financial assets

Classification

The Organization classifies its financial assets at amortized cost, only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

A gain or loss is recognized in the income statements only when the asset is derecognized or impaired. Interest income is included in finance income using the effective interest method if applicable. For trade receivables, the Organization applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from the initial recognition of receivables. In determining the expected credit losses for these assets, the Organization has considered the historical default experience as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective time horizon.

Financial assets comprise trade and other receivables and cash and cash equivalents.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade - date - the date on which the Organization commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Organization has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

**THE ONE NEW HEART TANZANIA
NOTES TO THE FINANCIAL STATEMENTS
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2.12 Financial liabilities

The Organization's holding in financial liabilities is mainly in financial liabilities at amortized cost. Financial liabilities are derecognized when extinguished.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

3. Critical accounting estimates and assumptions

Estimates and judgements 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.

Critical accounting estimates and assumptions

a) Income and other taxes

The organization is subjected to income tax in Tanzania. Significant judgment is required in determining the provision for income tax.

There are transactions and calculations for which ultimate tax determination is uncertain. The Organization recognizes liabilities for anticipated tax audit issues based on estimates and whether the additional tax will be due. Where the outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4. Grants and donations

	2021 TZS '000	2020 TZS '000
Grants and donations	554,557	309,870
	<u>554,557</u>	<u>309,870</u>

Grants and donations during the year comprise of the following:

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Date	Contact	Gross (TZS)
Grants and Donations		
01 Mar 2021	Sharo S Raissi MD	438,710
09 Mar 2021	Take Heart Association	3,569,243
23 Mar 2021	Calvary Chapel South	6,903,910
27 May 2021	For Hearts and Souls	6,442,110
10 Jun 2021	For Hearts and Souls	18,448,910
08 Jul 2021	Margareth Ikongo	1,252,000
08 Jul 2021	For Hearts and Souls	35,018,820
09 Jul 2021	Take Heart Association	11,521,910
28 Jul 2021	Diomedes Deogratus	100,000
03 Aug 2021	Other Donors	20,000
22 Sep 2021	Other Donors	10,000
10 Oct 2021	Tigopesa	3,150
20 Oct 2021	Other Donors	10,000
21 Oct 2021	Grace Ngori	500,000
05 Nov 2021	Grace Ngori	375,000
08 Nov 2021	Tomoia Dunn	68,004
09 Nov 2021	Grace Ngori	1,500,000
09 Nov 2021	Grace Ngori	3,000,000
24 Nov 2021	Theresia Sembua	10,000
25 Nov 2021	M-Pesa to Bank	15,000
27 Nov 2021	M-Pesa to Bank	25,000
30 Nov 2021	Other Donors	20,000
30 Dec 2021	Theresia Sembua	20,000
31 Dec 2021	Transfer from deferred income	465,285,335
Total Grants and Donations		554,557,102
Deferred Income		
21 Apr 2021	For Hearts and Souls	47,311,410
30 Dec 2021	Calvary Chapel South	57,277,080
31 Dec 2021	Henry R Dannecker Pietro Chille IMD	4,557,100
31 Dec 2021	LivaNova Company	691,188,499
31 Dec 2021	Transfer to grants and donations	(465,285,335)
Total Deferred Income		335,048,753
Total		889,605,855

5. Direct costs

	2021 TZS '000	2020 TZS '000
Medical Expenses	1,030	22,989
	<u>1,030</u>	<u>22,989</u>

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6. Operating expenses

	2021	2020
	TZS '000	TZS '000
Bank Fees	422	242
Depreciation	465,285	282,397
Meals and accommodation	58,370	-
Freight & Courier	-	746
General Expenses	-	675
Legal expenses	18,472	-
License & permits	400	-
Motor Vehicle Expenses	-	360
Other expenses	7,416	3,975
Travel - National	4,875	1,190
Travel - International	500	-
	<u>555,741</u>	<u>289,585</u>

7. Taxation

	2021	2020
	TZS '000	TZS '000
Income tax expense (credit)		
Current tax - current year	1,125	3,825
Deferred tax - current year	(664)	(811)
	<u>461</u>	<u>3,014</u>

Tax rate reconciliation

<i>Effective tax rate</i>	-21%	-111%
<i>Theoretical tax rate</i>	30%	30%

The effective tax rate reconciliation:

Income tax charge to profit or loss	461	3,014
Theoretical tax charge at 30% of (profit) loss before tax	664	811
Difference requiring reconciliation	<u>1,125</u>	<u>3,825</u>
Explained by:		
Penalties	<u>1,125</u>	<u>3,825</u>
	<u>1,125</u>	<u>3,825</u>

Income Tax Account

At the start of the year	10,781	6,956
Charge for the year	1,125	3,825
Tax paid during the year	-	-
On 31 December	<u>11,906</u>	<u>10,781</u>

Deferred tax

At the start of the year	(811)	-
Charge for the year	(664)	(811)
On 31 December	<u>(1,475)</u>	<u>(811)</u>

Deferred tax is made up of the following components

Property, plant, and equipment (accelerated capital deductions)	105,121	71,699
Tax losses	(106,597)	(72,510)
	<u>(1,475)</u>	<u>(811)</u>

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8. Property, plant, and equipment

	Land	Plant & Machinery TZS '000	Total TZS '000
Cost			
On 1 January 2021	-	2,085,572	2,085,572
Additions	47,000	695,597	742,597
On 31 December 2021	<u>47,000</u>	<u>2,781,169</u>	<u>2,828,169</u>
Accumulated depreciation			
On 1 January 2021	-	282,397	282,397
Charge during the year	-	465,285	465,285
On 31 December 2021	<u>-</u>	<u>747,682</u>	<u>747,682</u>
Net book Value			
On 31 December 2021	<u><u>47,000</u></u>	<u><u>2,033,487</u></u>	<u><u>2,080,487</u></u>
On 31 December 2020	<u>-</u>	<u>1,803,175</u>	<u>1,803,175</u>

9. Cash and cash equivalent

	2021 TZS '000	2020 TZS '000
The One New Heart (CRDB TZS)	<u>62,931</u>	<u>3,022</u>
	<u><u>62,931</u></u>	<u><u>3,022</u></u>

10. Other payables

	2021 TZS '000	2020 TZS '000
Trust account	<u>8,414</u>	-
Deferred income (see below)	<u>2,137,664</u>	<u>1,802,615</u>
	<u><u>2,146,078</u></u>	<u><u>1,802,615</u></u>

Deferred income relates to capital grants received in the form of cash or plant and equipment whose asset has not been put in use (not capitalized yet). Amortization of capital grants are transferred to the statement of profit or loss and other comprehensive income to recognize the current year portion of the grant received.

11. Borrowings

	2021 TZS '000	2020 TZS '000
Loan from directors	<u>5,020</u>	<u>5,020</u>
	<u><u>5,020</u></u>	<u><u>5,020</u></u>

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Founder members initially contributed this fund to the organization to support working capital and other program costs. This financial support is payable on demand.

12. Tax contingencies

As of the date of this report, management is not aware of any tax contingencies and continues to comply with relevant taxation laws in Tanzania.

13. Subsequent events

There have been no subsequent events since the reporting date, which necessitate revision of the amounts included in the financial statements or inclusion of additional disclosure. Should any material events occur, which may necessitate the revision of the amounts or inclusion of further disclosure, we shall advise you accordingly.