

PARTNERSHIP FOR NUTRITION IN TANZANIA (PANITA)



AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

SEPTEMBER 2020



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PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
Directors report (Continued)

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General Information

1. Registered Number

123-562-631

2. Registered Office

Partnership for Nutrition in Tanzania (PANITA)
Mikocheni A, Off Rose Garden Road, 6 Rwehabura Road, Plot No. 305A
P.O. Box 32095,
Dar es Salaam,
Tanzania

3. Auditors

Lindam Audit.
Kinondoni Biafra,
Bi Husna Street, Plot 206,
P. O Box 34023
Dar es Salaam
Tanzania

4. Bankers

CRDB Bank Plc.
Kijitonyama Branch
P. O. Box 268
Dar es Salaam
Tanzania

BancABC TZ
Uhuru Heights Building
Bibi Titi Road
P. O. Box 31
Dar es Salaam
Tanzania

Directors' Report

1. INTRODUCTION

The Directors present their 12 months' report together with the audited statements of income and expenditure for the year ended 31 December 2019, which discloses the state of affairs of Partnership for Nutrition in Tanzania (PANITA).

ABOUT PANITA

PANITA - Partnership for Nutrition in Tanzania - is a coalition of Civil Society Organizations (CSOs), with members across the country dedicated to building the political and public-will, commitment and support to end malnutrition in Tanzania. Besides, PANITA members are engaging both specific and sensitive nutrition interventions at their localities.

It was established in 2010 through technical and financial support from Save the Children International (SCI), UNICEF and Irish Aid. PANITA as a platform for CSOs is working to provide technical support, sharing of information, learning space and synergy on nutrition advocacy both at national and local levels. The members have become a positive catalyst in enhancing Nutrition Sensitive and Specific activities within their localities; Sensitive sectors include but not limited to: Agriculture, Education, Health, Community Development, Gender, WASH, Livestock and Fisheries etc.

PANITA operates in all regions in Tanzania through its members, where activities are coordinated in the 10 geographical Zones; this structural arrangement has resulted in a well-coordinated network, with an effective and wider coverage across the country. Overall, the secretariat engages with national level stakeholders while providing backstopping support to the members who operates at the community level. By and large, PANITAmembers contributes greatly in raising nutrition awareness at the community level, particularly in rural areas.

Vision

The Vision of PANITA is "A Tanzania that is free from malnutrition".

Mission

The mission of the Partnership is to advance advocacy efforts, improve coordination and reduce malnutrition by strengthening the capacity and increased mobilization and coordination of the civil society organizations (CSO's), private sector organizations, the media and other development partners to facilitate a more effective national and local response to addressing malnutrition.

Values

In pursuing the objectives of the network PANITA is accountable to the following core values: -

- i. Volunteerism
- ii. Professionalism

- iii. Excellence
- iv. Integrity
- v. Accountability
- vi. Responsibility
- vii. Transparency
- viii. Quality & Standards

OBJECTIVES OF PANITA

Primary Objectives

1. To establish and maintain a vibrant national civil society platform covering all nutrition relevant sector to facilitate the exchange of information, advocate for policy improvement and foster a dialogue on strategic nutrition issues in Tanzania.
2. To build capacity of Civil Society Organizations (CSOs) and other stakeholders to engage more effectively in quality service, planning and policy processes.
3. To advocate for increased prioritization of nutrition at the community to national level development plans.
4. To implement projects/programs and research in collaboration with its members and other stakeholders all over the country to foster the wellbeing of the Tanzanian community in areas of Nutrition, Health, Reproductive Maternal Child and Adolescent, Youth, Education, Gender, Water and Sanitation (WASH), Nutrition sensitive agriculture, Social Protection, and other cross-cutting sectors.

2. PROJECTS IMPLEMENTED IN 2019 AND KEY ACHIEVEMENTS

Key Achievements

i) **Prioritization of nutrition in all government plans and budget**

In the 2019 calendar year PANITA through our advocacy work and other stakeholders in collaboration with the government, experienced increased prioritization of nutrition in all government plans and budget and this can be amplified through the allocation and disbursement of nutrition funds by all councils across the country have increased significantly as alluded in scrutinization of the council budget report prepared by PORALG (2019); where the government allocated TZS 11 billion in 2017/2018 and disbursed was only 22%; while for the FY 2018/19 allocation was around TZS 14 billion and disbursement was increased to 45%.

ii) Increased knowledge on nutrition issues around infant and young children feeding, WASH, and ECD

Through our engagement with CSOs there have been an increased knowledge on nutrition issues around infant and young children feeding, WASH, and ECD that is expected to contribute towards their behavior change process on practicing good nutrition to the communities that were reached in various means including support groups, village health and nutrition day, community gatherings in events such as world breast feeding weeks and on the commemoration on international women day.

PANITA has witnessed an increased male participation in care and support for children including making sure that the children are properly fed according to their ages in the five regions of Mwanza, Kagera, Shinyanga, Geita and Kigoma.

On the other hand, strengthened the working relationships between Civil Society Organizations (CSOs) and the government particularly at council level, harmonized CSOs reporting requirement and also improved working relationship with council officials such as Nutrition officers and Community Development offices.

iii) Increased understanding on the role and responsibility of regional and councils Multi-sectoral Nutrition Steering Committee members

Through our work with multi-sectoral nutrition steering committee on nutrition across the country PANITA has witnessed increased understanding on the role and responsibility of committee members and this has significantly increased the quality of meetings which aims at improving nutrition situation in the community. During the 2019 calendar year a total of 50 councils from 12 regions were trained on terms of references on multi-sectoral steering committee.

iv) Nutrition information hub for all PANITA members

PANITA has well positioned itself as a hub for provision of information to all its members for programming purposes, community education, advocacy etc. The information is provided both in electronically and paper base. Specifically the channel which has been used is through emails, website, leaflets, banners, booklets etc. During the 2019 calendar year a total of **8,050** various nutrition information materials were distributed to members CSOs aiming at increasing community awareness on the current nutrition aspects. During the year under review Website hits for www.panita.or.tz had increased from 11,200 (in 2018) hits to 164,246 hits.

PANITA as the umbrella for CSOs working on nutrition has successfully spoke on behalf of all CSOs on nutrition in all the relevant platforms such as: Joint Multi-sectoral

Nutrition Review Meetings, the monthly DPG meetings as well as in the Scaling Up Nutrition Network. During the 2019 calendar year PANITA represented all the CSOs on nutrition in a total of 5 international meetings in Abidjan, Nepal, South Africa, Kenya and Switzerland.

v) PANITA has successfully contributed and participated in the National Nutrition Compact evaluation sessions.

The evaluation has increased personal & institutional accountability and transparency for nutrition activities among Regional and Council leaders towards the implementation of National Multisectoral Nutrition Action Plan (NMNAP).

As a result of this PANITA had a opportunity to deliver advocacy messages on the importance of prioritization of nutrition for productive and reproductive nation to more than 200 participants from government Ministries, Agencies and Departments, Private sector, Non-Governmental Organizations, UN agencies, Donors and Media other interested parties. Also, intence were Minister for President's Office Regional Administration and Local Government (PORALG) that brought together Deputy Minister, Permanent Secretary, Regional Commissioners, Regional Administrative Secretary, Regional Medical Officers, Regional Nutrition Officers and other government technocrats.

vi) PANITA successfully participated in the Thematic Working Group on Maternal Infant Young Child and Adolescent Nutrition (MIYCAN)

In these meetings PANITA showcased the implementation of MIYCAN activities focusing on how CSOs have been key in influencing behavioral change on nutrition. PANITA through technical and backstopping support to CSOs has facilitated negotiations for nutrition behavior change in the community through existing support groups.

vii) Orientation of all 22 councils implementing Lishe Endelevu project

During the reporting period, PANITA in Collaboration with Deloitte managed to orient all 22 councils from Lishe Endelevu implementing regions (Rukwa, Iringa, Morogoro and Dodoma) the newly developed Terms of Reference for Regional and Council Multi-sectoral Steering Committee, NMNAP targets and bottleneck analysis.

A total of 770 participants were reached through this activity. Through these trainings PANITA was able to develop specific advocacy messages that were used during the regional level advocacy sessions, which was attended by more than 250 participants from all four regions implementing Lishe Endelevu Project.

Also, PANITA shared lessons learned, challenges, and priorities and plead for increased resources allocation from domestic funds and to prioritization of nutrition in all the councils and regions plans. Furthermore, PANITA managed to conduct technical engagement meetings with total of 125 Members of Council Health Management Teams (CHMT) in all five project districts (Ikungi DC, Manyoni DC, Kahama TC, Kishapu DC & Shinyanga DC) to emphasize the role of CHMT in sustaining achievement that have been emanated from ENRICH project while focusing on installing ownership, integration and execution of project activities within the government plans and budget frameworks.

viii) Capacity building to CSOs

PANITA managed to build the capacity of CSOs Members from Mwanza, Simiyu, Kagera, Geita, Tabora, Kigoma, Shinyanga, Morogoro, Rukwa, Katavi, Iringa, Dodoma, and Mara regions on the policy framework governing nutrition i.e. National Multisectoral National Action Plan (NMNAP 2016-2021), Terms of Reference for Regional/Council Multisectoral Steering Committee on Nutrition (ToR for R/CMSCN); Nutrition Compact; Government budget cycle to understand budget processes, and stages and appreciate ways of influencing each stage of the budget cycle towards more and better spending on nutrition.

A total of 107 CSOs Members were reached through various capacity building sessions. Also, Strengthened CSOs' coordination and collaboration among themselves and Regional Administration and Local Government Authority to expand CSOs' space to influence plans and budget for nutrition activities at the local level.

PANITA successfully supported its Zonal coordinating CSO in Southern Western Highland Zone to conduct a CSO Members mapping that involved 22 CSOs members located in Rukwa and Katavi region. The activity was carried out as a raise in need to understand the current situations of PANITA members and update their status upon scaling up nutrition action as targeted by PANITA. Also, managed to orient it's CSOs Members in Rukwa the government budget cycle in order to increase their understanding of the government budget processes, and stages and appreciate ways of influencing each stage of the budget cycle towards more and better spending on nutrition. Furthermore, CSOs were oriented on the policy framework governing nutrition, which strengthened their working relationship with government technocrats.

ix) Support supervision visits to five lake zone regions implementing ASTUTE project

PANITA conducted supportive supervision visits to five lake zone regions implementing ASTUTE to assess the progress of the implementation of the project in terms of

programmatic and financial management, support group facilitation on behavioral change, and knowledge/skills gained among the support groups members. The key achievement of this activity was as follows; improved data quality and reporting through capacity building and RDQA sessions to 48 CSOs, managed to provide technical backstopping support to 385 support groups, enhanced communication, coordination, good working relationships among project implementing partners and managed to influence behavior change on nutrition to support groups. Also, PANITA conducted Supportive supervision it's CSO Members from Iringa, Njombe and Ruvuma, Mwanza, Shinyanga, Geita, Kagera and Kigoma regions where a total of 67 CSOs were targeted.

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Directors report (Continued)

3. BOARD OF DIRECTORS

The Directors of the Organization at the date of this report who have served during the financial year ended 31 December 2019 are shown in the table below:

NAME	POSITION	QUALIFICATION	AGE	NATIONALITY	DATE OF APPOINTMENT
Dr. Rose Rita Kingamkono (PhD- Nutrition)	Chairperson of the Board of Directors - PANITA	Former Chief of Party - Innovation Equality to Promote Household Food Security - Land O'Lakes Tanzania USAID funded project "Innovation Equality to Promote Household Food Security"	67 years	Tanzanian	2013
Prof. Joyce Kinabo (PhD- Nutrition)	Member	Professor of Human Nutrition- Sokoine University of Agriculture (SUA)	65 years	Tanzanian	2014
Mr. Joseph Mugyabuso (BSc, MSc- Nutrition; MBA)	Member	Former Nutrition Advisor IMA World Health & Project Manager for PANITA under SCI	57 years	Tanzanian	2015
Abubakar Mohamed Ali (BSc, MSc)	Member	The Executive Director for Zanzibar Clove Producers Organization - ZACPO.	65 years	Tanzanian	2016
Dr. Suma Kaare (PhD, Public Sector Management)	Member	M&E/Operations Research Team Lead Abt Associates, Public Sector Systems Strengthening PS3 Tanzania	60 years	Tanzanian	2018

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Directors report (Continued)

NAME	POSITION	QUALIFICATION	AGE	NATIONALITY	DATE OF APPOINTMENT
Dr. John Kalage (MSc in Education for Sustainability)	Member	Executive Director-HakiElimu	54 Years	Tanzania	2019

During the 9th meeting of the Board of Directors held at PANITA Office on Wednesday, October 30, 2019 approved the appointment of Dr. John Kalage was appointed as the Board of Director of PANITA for the tenure of 2 years. The Board of the organization consists of 6 Directors.

The Board has overall responsibility for the successful operations of the organization, including ensuring that the organization complies with all of its contractual, statutory and any other legal obligations, responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board's role is to govern the organization rather than to manage it. The Board delegates the day-to-day management of the business to the Executive Director assisted by the management team.

The organization is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the organization. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

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

Directors report (Continued)

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the organization's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial period ended 31 December 2019 and is of the opinion that they met accepted criteria.

Employee Welfare

Management/employees relationship continued to be good during the year. There were no unresolved complaints by the employees at the end of the year.

The Organization is an equal opportunity employer and provides on-the-job and external training to employees, in and outside Tanzania, also provides medical insurance coverage for all employees, safe working environment and pays contributions to NSSF, which is publicly administered mandatory pension plans for all private and non-governmental organizations and qualify to be a defined contribution plan. As parts of ensuring employees are safeguarded against disabilities from work place, PANITA also contributes 1% of the gross employee's emoluments to Workers Compensation Fund.

Independent Auditors

M/s Lindam Audit, Certified Public Accountants of P O Box 34023, Dar es Salaam were appointed as the independent auditors of Partnership for Nutrition in Tanzania (PANITA) for the year ended 31 December 2019. The auditors have expressed their willingness to continue in office. A resolution proposing the reappointment of auditors of PANITA for the year ending 31 December 2020 will be put to the Annual General Meeting.

By order of the Board



Dr. Rose Rita Kingamkono

Chairperson

Date: 21/12/2020

Statement of Directors' Responsibilities

Non-Governmental organization requires the Directors to prepare the financial statements for each financial period that present fairly, in all material respect, a view of the state of affairs of the organization as at the end of the financial period. It also requires the Directors to ensure that the organization keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the organization. They are also responsible for safeguarding the assets of the organization.

The Directors accept responsibility for the 31 December 2019 audited financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with accounting policies set out on page 17 to 18 in the financial statements. The Directors are of the opinion that the statement of income and expenditure give a fair view of the state of the financial affairs of the organization and of its operating results. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of statement of income and expenditure, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the organization will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board of Directors on and signed on its behalf by:



Dr. Rose Rita Kingamkono

Chairperson

Date: 21/9/2020

DECLARATION OF THE HEAD OF FINANCE OF PARTNERSHIP FOR NUTRITION IN TANZANIA (PANITA)

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 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 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 Directors as under Directors Responsibility statement on page 11.

I CPA Erasto Joseph being the Head of Finance/Accounting of Partnership for Nutrition in Tanzania (PANITA) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2019 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 Partnership for Nutrition in Tanzania (PANITA) as on that date and that they have been prepared based on properly maintained financial records.

Signed by: *Ea*

Position: *Accountant*

NBAA Membership No: GA 6043

Date: *18/09/2020*

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF PARTNERSHIP FOR NUTRITION IN TANZANIA (PANITA)

We have audited the accompanying financial statements of the Partnership of Nutrition in Tanzania (PANITA), which comprises the statement of income and expenditures for the year ended 31st December 2019, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements of the Partnership of Nutrition in Tanzania for the year ended 31 December 2019 are prepared, in all material respect, in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities on those standards are further described in the Auditor's responsibilities for the Audit of the financial statement section of our report. We are independent of the organization in accordance with ethical requirement that are relevant to our audit of the financial statement in Tanzania, and we have fulfilled our ethical responsibilities in accordance to these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

Emphasis of matter

We draw attention to Note 1.8 in the financial statements, which indicates that Partnership for Nutrition in Tanzania considers itself exempted from Income Tax based on the criteria in the income Tax Regulation which accord this status to an entity that performs charitable activities and whose net income is within the required limits or, if higher is to be utilized for future charitable activities.

However, according to section 64(8)(b) of the Income Tax Act, the entity is considered to be a charitable organization after receiving a ruling issued by the commissioner of Income Tax stating that it is a charitable organization or religious organization.

Based on the nature of the entity's operations and its source of income there is no material potential liability relating to current and deferred tax expenses. Therefore, our opinion is not modified in respect of this matter.

Basis of accounting and restrictions and distribution and use

Without modifying our opinion, we draw attention to Note 1 in the statement of income and expenditure, which describe the basis of accounting. The statement of income and expenditure are prepared to assist PANITA to comply with the statutory requirements and donor contractual requirements. As a result, the statement of income and expenditure may not be suitable for other purposes.

Report of the Independent Auditor (Continued)

Our report is intended solely for the information and use by management of PANITA and its donors, which are Institute of Development Studies (IDS), Graca Machel Trust (GMT), Save the Children Tanzania, Pooled Fund, Irish Aid, Nutrition International and IMA World Health. Distribution of this report to any other parties is for information purposes only and that we accept no duty of care to them (individually or collectively) whether in contract or in tort or under statute or otherwise (including in negligence) with respect to this report.

Responsibilities of Management and the board of Directors of the financial statements

The management of PANITA is responsible for the preparation of these financial statements in accordance with the accounting policies described in Note 1 to the financial statements and for such internal control as management determines is necessary to enable the preparation of the 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 organization's ability to continue as a going concern, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so. The Board of trustees are responsible for overseeing the organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not guarantee an audit conducted in accordance to ISAs will always detect a material misstatement when it exists. Misstatement 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 on the basis of 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 risk 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 of 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 omission, misrepresentations, or the override of the internal control.

Obtain an understanding of internal control relevant to the audit 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 organization's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Report of the Independent Auditor (Continued)

Conclude on the appropriateness of 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 going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

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

Report on other legal and regulatory requirements

This report including the opinion, has been prepared for, and only for, the organization's members as a body in accordance with the NGO Act 2002 (revised 2018) and for no other purposes.

As required by the NGO Act, 2002 (revised 2005), we are also required to report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the organization has not kept proper accounting records if, the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for the for our audit, or if information specified by the law regarding directors' remuneration and transactions with the organization is not disclosed. In respect of the foregoing requirements, we have no matter to report.

The engagement partner on the audit resulting in this independent auditor's report is Focus Lutinwa.



Focus Lutinwa

ACPA 1742

For and on behalf of Lindam Audit

Certified Public Accountants

Dar es Salaam

Date: 9th September 2020

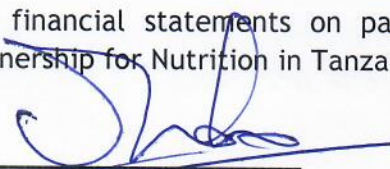
PARTNERSHIP FOR NUTRITION IN TANZANIA
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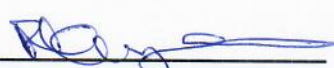
THE STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2019

PANITA STATEMENT OF INCOME AND EXPENDITURE 2019

	NOTE	Year Ended 31-Dec-19	Year Ended 31-Dec-18
Income			
Grant revenue	2	1,209,746,816	1,400,169,952
Donation and other income	3	15,782,442	11,089,627
Programme income	4	96,410,681	207,083,235
Total programme income		1,321,939,939	1,618,342,814
Less expenditure			
Personnel costs	5	474,603,668	601,444,279
Contractual costs	6	36,049,034	37,894,740
Supplies	7	52,301,253	19,743,070
Equipment purchase	8	39,873,647	24,668,942
Travel & meeting expenses	9	618,405,246	716,810,525
Other expenses	10	187,427,993	140,894,761
Total Expenditure		1,408,660,841	1,541,456,317
Surplus /(deficit) for the year		(86,720,902)	76,886,497
Balance brought forward	15	202,565,338	146,911,810
Prior years adjustments	15.1	-	(21,232,969)
Total balance		115,844,436	202,565,338
Represented by:			
Cash and Cash Equivalent	11	1,433,827,758	969,857,643
Receivables and prepayments	12	92,141,802	37,161,921
Deferred Grant	14	(950,273,830)	(311,809,005)
Accounts payables and accruals	13	(459,851,294)	(492,645,221)
Unrestricted Net Asset		115,844,436	202,565,338

The financial statements on page 16 to 28 were approved by the Board of Directors of Partnership for Nutrition in Tanzania on 21/9 2020 and signed on their behalf by:


Tumaini Mikindo
Executive Director.


Dr. Rose Rita Kingamkono
Chairperson.

1. Accounting policies

The principle accounting policies adopted by the organization management in the preparation of the statement of Income and Expenditure are set out below:

1.1 Basis of Preparation

Statement of Income and Expenditure has been prepared on accrual basis.

1.2 Income recognition

Income is recognized in the statement of income and expenditure when transactions or an event results in the increase in PANITA's assets or reduction in its liabilities. Income must be recognized by PANITA when the following conditions are met

- i) **Entitlement** - control over the rights or other access to the economic benefits have been passed to PANITA.
- ii) **Probable** - income is recognized when there is sufficient certainty of receipt
- iii) **Measurement** - the monetary value or the amount of income can be measured reliably the cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

In case of grant income is recognized when the conditions attached to the grant agreement are met and in case of donation income is recognized when donation is received by PANITA.

1.3 Organization Expenditure

Organization expenditure is recognized when incurred. Imprests are recognized as expenses when accounted for.

1.4 Capital Grants

A capital grant for the acquisition of an asset is capitalised when the ownership or control of the assets passes to PANITA. The accounting entries to form this transaction will be:

Dr	Fixed Assets Account
Cr	Capital Grants Account

1.5 Fixed assets

Direct expenditure by PANITA on the acquisition, creation or enhancement of fixed assets is expensed during the year of purchase. PANITA maintains an inventory register of all assets procured for the purpose of safeguarding the assets.

1.6 Receivable and prepayments

Receivable consist of funds deposited to vendors and employees in the normal course of business. Advance and prepaid expenses are recognized upon payment and derecognized when service has been rendered.

1.7 Cash and cash equivalents

Cash and cash equivalents include, cash in hand, deposit held by banks, other short term highly liquid investment with original maturities of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant change in value.

1.8 Income tax

The board of Directors considers the organization to be exempt from income taxes based on the Income Tax Act since it performs charitable activities and whose net income is within the required limit or, if higher, is utilized for future charitable activities. The Income Tax Act under section 131 require the organization to seek for the ruling of commissioner to certify or to be granted the status of charitable as per Income Tax Act section 64 (8).

1.9 Account payable

Account payable is obligation to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are presented as current liabilities unless payment is not due to within twelve months after year-end. If not, they are presented as non-current liabilities.

1.10 Foreign currency transactions

Balances denominated in foreign currency are translated to Tanzanian shillings at the rates of exchange ruling at the period end. Foreign exchange gains and losses on the translation of bank account balances are recognised in the income and expenditure account in the period in which they arise. Foreign exchange transactions are translated to Tanzanian shillings at the rate of exchange prevailing on the date of the transaction.

1.11 Provisions for liabilities

PANITA will make proper provision for any liability or loss (likely or certain) to be incurred, where there is uncertainty as to the amounts or the dates on which they might arise.

Provisions, or changes in provisions, are charged to operating costs, related expenditure will be charged directly against the provision.

1.12 Employees cost

The full costs of employees are charged to the PANITA's accounts during the period in which employee's work. Material amounts earned but unpaid at the end of the financial period are accrued.

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Notes to the statement of income and expenditure (continued)

2 Grant Revenue	31.12.2019	31.12.2018
	TZS	TZS
Graca Machel Trust	53,859,050	77,231,800
Institute of Development Studies (IDS)	4,472,493	33,419,545
Interchurch Medical Assistance (IMA)	512,294,730	580,158,622
Irish Aid	251,035,209	681,439,201
Nutrition International	20,203,628	-
Pooled Fund	90,380,152	-
Save the Children TZ	277,501,554	27,920,784
Total	<u>1,209,746,816</u>	<u>1,400,169,952</u>
2.1 Restated grant revenue IMA	31.12.2018	31.12.2018
	TZS	TZS
	Restated	
* Interchurch Medical Assistance (IMA)	629,871,397	629,871,397
Adjustment of prior year errors on Equipment ¹	(46,912,775)	-
FTE cost ²	(2,800,000)	-
Restated grant revenue IMA	<u>580,158,622</u>	<u>629,871,397</u>

Note:

1) Equipment

Equipment purchased in the financial year ended 31 December 2017 which included the generator at a cost of TZS 31,501,575 and a printer at a cost of TZS 15,411,200 were erroneously double charged on IMA deferred income (fund balance) and grant revenue.

2) FTE cost

FTE cost was erroneously charged by TZS 2,800,000 to ASTUTE project funded by IMA, both deferred income (fund balance) and grant revenue.

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Notes to the statement of income and expenditure (continued)

3	31.12.2019	31.12.2018
	TZS	TZS
Donations and other income		
Interest Income	396,956	332,987
Other Program Income	4,000,000	9,133,680
REF	11,385,486	1,622,960
Total	<u>15,782,442</u>	<u>11,089,627</u>
4 Programme Income		
Program Income	-	159,629,592
Membership fee	5,150,190	6,060,000
Management fee ¹	91,260,491	41,393,643
Total	<u>96,410,681</u>	<u>207,083,235</u>

Management fee consist of income received from donors to cover administrative costs. During the year under review, PANITA had received a total of TZS 91,260,491 from various donors comprising of TZS 28,726,989 from Ima World Health, TZS 17,511,904 from SCI Tanzania, TZS 25,058,000 from UNOPS and TZS 19,963,598 from Graca Machel Trust.

5	31.12.2019	31.12.2018
Personnel costs		
FTE cost	53,374,666	201,717,444
Health insurance	25,641,383	23,211,545
Pension costs	59,247,800	52,028,320
Salaries and wages*	278,292,608	287,509,882
SDL Expenses	11,983,071	12,448,872
Staff bonus	15,910,250	-
Terminal Grant	26,968,400	21,761,800
WCF Contribution	3,185,490	2,766,416
Total	<u>474,603,668</u>	<u>601,444,279</u>
5.1 Salaries and wages	31.12.2018	31.12.2018
	TZS	TZS
	Restated	Original
* Salaries and wages ¹	290,309,882	290,309,882
Adjustment on FTE costs errors	(2,800,000)	-
Restated salaries and wages	<u>287,509,882</u>	<u>290,309,882</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Notes to the statement of income and expenditure (continued)

Note:

1) FTE cost

FTE cost amounting to TZS 2,800,000 erroneously charged to salaries and wages and to FTE accrued

6 Contractual costs	31.12.2019	31.12.2018
	TZS	TZS
Audit fee	8,519,184	8,574,740
Consultancy fee	27,529,850	29,170,000
Legal fee	-	150,000
Total	<u>36,049,034</u>	<u>37,894,740</u>
7 Supplies		
Office supplies	<u>52,301,253</u>	<u>19,743,070</u>
8 Equipment		
Equipment purchase	<u>39,873,647</u>	<u>24,668,942</u>
9 Travel & meeting expenses		
Conference packages	33,140,000	77,228,877
Food and refreshments	3,527,000	-
Stationaries	6,711,600	6,754,550
Transport costs	179,344,559	186,588,941
Daily subsistence allowance	<u>395,682,087</u>	<u>446,238,157</u>
Total	<u>618,405,246</u>	<u>716,810,525</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Notes to the statement of income and expenditure (continued)

10 Other expenses	31.12.2019	31.12.2018
	TZS	TZS
Bank charges	6,905,286	5,624,793
Printing and publications	10,825,000	4,105,600
Rent expense	48,967,200	48,917,331
Repairs & maintenance	9,385,300	9,316,100
Security expenses	19,800,000	19,800,000
Staff development and training	2,470,000	3,673,380
Website maintenance charges	6,872,319	6,872,320
Insurance expenses	1,326,004	906,934
Communication expenses	19,413,780	20,754,936
Utility expenses	10,813,500	5,165,736
Office running costs	57,772,320	39,279,095
Withholding tax	6,623,107	6,860,800
(Gain) or loss on exchange*	<u>(13,745,823)</u>	<u>(30,382,263)</u>
Total	<u>187,427,993</u>	<u>140,894,761</u>
10.1 (Gain) or loss on exchange adjustment	31.12.2018	31.12.2018
	TZS	TZS
	Restated	
* (Gain) or loss on exchange ¹	(59,670,152)	(59,670,152)
Adjustment of prior year errors in unrealized gain	<u>29,287,889</u>	<u>-</u>
Restated (Gain) or loss on exchange	<u>(30,382,263)</u>	<u>(59,670,152)</u>

Note:

1) Gain or loss on exchange

This is related to the correction of accumulated errors resulting from manual journal processing of unrealized exchange gain/loss in the Quickbook accounting system which also increased the foreign currency amount instead of passing the journals from the manage exchange module available in Quickbook. The impact of posting the unrealized gain/loss on manual journal increased the USD amount by impact of the journal passed.

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
 Notes to the statement of income and expenditure (continued)

11	Cash and cash equivalents	31.12.2019	31.12.2018
		TZS	TZS
	Cash at bank*	1,433,759,384	969,553,143
	Cash in hand	68,374	304,500
		<u>1,433,827,758</u>	<u>969,857,643</u>
11.5	Restatement of cash at bank	31.12.2018	31.12.2018
		TZS	TZS
		Restated	
*	Cash at bank	1,020,072,812	1,020,072,812
	Adjustment of prior year errors in unrealized gain (Refer to 10.1)	(50,519,669)	-
	Restated cash at bank	<u>969,553,143</u>	<u>1,020,072,812</u>
12	Receivables and prepayments	31.12.2019	31.12.2018
		TZS	TZS
	Other receivables	-	9,133,680
	Partners' debtors	63,532,333	-
	Prepaid health insurance	3,297,219	1,932,592
	Prepaid insurance - PPE	1,789,134	1,289,171
	Prepaid rent	20,641,562	20,403,000
	Prepaid website charges	2,881,554	3,913,273
	S.D.L receivable	-	490,205
	Total	<u>92,141,802</u>	<u>37,161,921</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Notes to the statement of income and expenditure (continued)

13	31.12.2019	31.12.2018
	TZS	TZS
Accounts Payable	1,308,209	-
Audit fees payable	8,022,723	8,074,740
FTE accrued*	405,013,545	461,582,064
Pension cost payable	3,802,360	3,802,360
Terminal grant benefit payable	41,704,457	21,986,057
Total	<u>459,851,294</u>	<u>495,445,221</u>
Restated accrued FTE	31.12.2018	31.12.2018
	TZS	TZS
	Restated	Original
* Full Time Equivalency accrued	461,582,064	461,582,064
Adjustment on errors on FTE cost ¹	(2,800,000)	-
Restated accrued FTE	<u>458,782,064</u>	<u>461,582,064</u>

Note 1:

As explained in Note 5.1 on salaries and wages on page 20

14	31.12.2019	31.12.2018
	TZS	TZS
From Note 14.1 to Note 14.7		
Deferred income (fund balance) as at 01 Jan	311,809,005	886,309,639
Total funds received from donors during the year	1,848,211,641	825,669,318
Total release to the statement of income and expenditure	(1,209,746,816)	(1,400,169,952)
Deferred income (fund balance) as at 31 Dec	<u>950,273,830</u>	<u>311,809,005</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Notes to the statement of income and expenditure (continued)

14.1 Donor: Irish Aid	2019	2018
	TZS	TZS
Project: AMKA project		
Deferred income as at 01 Jan	47,148,080	728,587,281
Funds received during the year	769,371,720	-
Release to the statement of income and expenditure	<u>(251,035,209)</u>	<u>(681,439,201)</u>
Deferred income as at 31 Dec	<u>565,484,591</u>	<u>47,148,080</u>
14.2 Donor: Institute of Development Studies (IDS)		
Activity: stories of change		
Deferred income as at 01 Jan	4,472,493	11,838,841
Funds received during the year	-	26,053,197
Release to the statement of income and expenditure	<u>(4,472,493)</u>	<u>(33,419,545)</u>
Deferred income as at 31 Dec	<u>-</u>	<u>4,472,493</u>
14.3 Donor: Graca Machel Trust (GMT)		
Project: Sub Regional Advocacy Initiative		
Deferred income as at 01 Jan	939,887	-
Funds received during the year	184,807,013	78,171,687
Release to the statement of income and expenditure	<u>(53,859,050)</u>	<u>(77,231,800)</u>
Deferred income as at 31 Dec	<u>131,887,850</u>	<u>939,887</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Notes to the statement of income and expenditure (continued)

14.4	Save the Children Tanzania	31.12.2019	31.12.2018
		TZS	TZS
	Deferred income as at 01 Jan	56,317,339	-
	Funds received during the year	289,099,273	84,238,123
	Release to the statement of income and expenditure	(277,501,554)	(27,920,784)
	Deferred income as at 31 Dec (D)	67,915,058	56,317,339
14.5	IMA	31.12.2019	31.12.2018
		TZS	TZS
	Deferred income as at 01 Jan	202,931,205	145,883,517
	Funds received during the year	293,057,295	637,206,310
	Release to the statement of income and expenditure	(512,294,730)	(580,158,622)
	Deferred income as at 31 Dec (E)	(16,306,230)	202,931,205
14.5.1	Restatement of IMA Deferred income	31.12.2018	31.12.2018
		TZS	TZS
		Restated	Original
	Deferred income as at 01 Jan	145,883,517	145,883,517
	Funds received during the year	637,206,310	637,206,310
	Release to the statement of income and expenditure	(629,871,397)	(629,871,397)
	Adjustment on equipment cost	46,912,775	-
	Full Time Equivalency	2,800,000	-
	Deferred income as at 31 Dec (E)	202,931,205	153,218,430

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Notes to the statement of income and expenditure (continued)

14.6 Donor: United Nations Office for Project Services	31.12.2019	31.12.2018
	TZS	TZS
Project: SUN Pooled Fund		
Deferred income as at 01 Jan	-	-
Funds received during the year	225,776,340	-
Release to the statement of income and expenditure	<u>(90,380,152)</u>	-
Deferred income as at 31 Dec	<u>135,396,188</u>	<u>-</u>
14.7 Donor: Nutrition International	31.12.2019	31.12.2018
Project: ENRICH project		
Deferred income as at 01 Jan	-	-
Funds received during the year	86,100,000	-
Release to the statement of income and expenditure	<u>(20,203,628)</u>	-
Deferred income as at 31 Dec	<u>65,896,372</u>	<u>-</u>
15 Un-restricted net assets	31.12.2019	31.12.2018
	TZS	TZS
Un-restricted net assets at 1 Jan	202,565,338	146,911,810
Prior year adjustments		(21,232,969)
Surplus/(deficit) for the year	<u>(86,720,902)</u>	76,886,497
Un-restricted net assets at 31 Dec	<u>115,844,436</u>	<u>202,565,338</u>
15.1 Prior year adjustments		
Adjustment from f/s to ledger	-	(1,189)
Cash at bank	-	(50,519,669)
Gain or loss on exchange	-	29,287,889
	<u>-</u>	<u>(21,232,969)</u>

Note:

- 1) Adjustment on unrestricted net assets to correct differences from the system trial balance for the year ended 31.12.2018 from the audited financial statements for the year ended 31 December 2018.
- 2) Cash and bank
Refer to Note 10.1

16. Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the normal course of business, a number of transactions are entered into with related parties i.e. key management personnel and Board of Directors. The volume of related party transactions for the year and the outstanding amounts at the year-end were as follows:

16.1 Transactions

These are remuneration to the Executive Director, Acting Chief Accountant, Administration and Operations Officer, Program Coordinator and Monitoring and Evaluation Coordinator., there are no other related party transactions.

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Organization, directly or indirectly. The Organization's key management is the Executive Director and all heads of departments.

Key management

	2019	2018
	TZS	TZS
Remuneration to key management	<u>349,412,970</u>	<u>294,244,080</u>

Board of directors

Board meeting expenses	<u>5,921,000</u>	<u>6,366,000</u>
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17. Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year, and to correct errors made in the prior years.

18. Events after the reporting date

The financial statements for the year ended 31st December 2019 were authorized for issue by the Board on 21 September 2020, no organ has the power to amend the financial statements after issue.