

**TANZANIA BETTER HEALTH**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**The Organization Information**

<b>Registered office</b>	Tanzania Better Health  Dar es Salaam, Tanzania.
<b>Independent auditor</b>	Diamond Financial Services Certified Public Accountants Dar es Salaam Tanzania

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The company's management submit their report together with the audited financial statements for the year ended 31 December 2020, which disclose the state of affairs of the company.

**Incorporation**

The organization was registered in Tanzania under the Non-Government Act as a Non-Government entity and is domiciled in Tanzania. The address of the registered office is set out on page 1.


**Principal activities**

The principal activity of Tanzania Better Health is to provide health services.

**Auditor**

During the year, Diamond Financial Services was appointed as the company's auditor and has expressed its willingness to continue in office in accordance with the Tanzanian Companies Act.

By order of the board

  
.....  
Patrick Magehema

  
.....2021

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Pursuant to the requirement that, the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation on and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Tanzanian Companies Act. They also accept responsibility for:

- i. designing, implementing and maintaining internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or;
- ii. selecting and applying appropriate accounting policies; and
- iii. making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the organization's ability to continue as a going concern.

The directors acknowledge that the independent auditor of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on .....20/02.....2021 and signed on its behalf by:

.....  
**Patrick Magehema**  
**Director**

## **Report on the Audit of the Financial Statements**

### ***Opinion***

We have audited the accompanying financial statements for Tanzania Better Health (the company), set out on pages 7 to 13, which comprise the balance sheet as at 31 December 2020, the profit and loss account and statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2020 and of its financial performance and cash flows for the year ended 31 December 2020 in accordance with the International Financial Reporting Standard and the Tanzanian Companies Act.

### ***Basis for Opinion***

We conducted our audit in accordance with International Standards of Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company 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 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 audit opinion.

### ***Other information***

The directors are responsible for the other information. Other information comprises the information included in the Annual 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 any form of assurance conclusion thereon.

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, 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.

### ***Directors' Responsibilities for the financial statements***

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting and the requirements of the Tanzanian Companies Act, and for such internal control as the directors determine 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, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

### ***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 auditor's 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 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:

### **Auditor's responsibilities for the Audit of the Financial Statements (continued)**

- 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: or 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 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 company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 company's ability to continue as a going concern. If we conclude that a 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 the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure a 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.

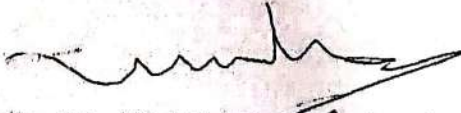
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Tanzanian Companies Act, 2002 and for no other purpose.

As required by the Tanzanian Companies Act, we report to you, based on our audit, that:

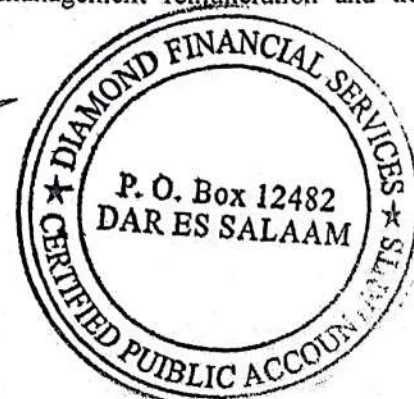
- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. the report of the company management is consistent with the financial statements;
- iii. in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iv. the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records; and
- v. information specified by law regarding company management remuneration and transactions is appropriately disclosed.

  
Diamond Financial Services (Certified Public Accountants)

Certified Public Accountants (T)

Dar es Salaam

Date: ..... 20/06 ..... 2021



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**Statement of Profit or Loss and Other Comprehensive Income**

	Notes	2020 TZS
Revenue		0
Less: Cost of Sales		0
<b>Gross Profit</b>		<b>0</b>
Administrative expenses	5	908,750
<b>Total expenses</b>		<b>908,750</b>
<b>Operating loss/profit</b>		<b>(908,750)</b>
Finance costs		0
<b>Surplus/(deficit) for the year</b>		<b>(908,750)</b>



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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	Notes	2020
		TZS
<b>Non-current assets</b>		
Property, Plant and Equipment	4	811,250
		811,250
<b>Current assets</b>		
Bank and cash equivalent		37,470
		37,470
<b>Total Assets</b>		<b>848,720</b>
<b>Equity and Liabilities</b>		
Contributions from members		1,757,470
Revaluation reserve		(908,750)
<b>Total Equity</b>		<b>848,720</b>
<b>Total equity and liabilities</b>		<b>848,720</b>

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Capital fund</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
At 1 January 2020	1,757,470		1,757,470
Profit/(Loss) for the year	-	(908,750)	(908,750)
<b>At 31 December 2020</b>	<b>1,757,470</b>	<b>(908,750)</b>	<b>848,720</b>

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020
Profit before taxation	(908,750)
<b>Changes in working capital</b>	
Depreciation	458,750
<b>Cash generated from operating activities</b>	<b>(450,000)</b>
<b>Investing Activities</b>	
Purchase of PPE	(1,270,000)
<b>Net cash flow from investing activities</b>	<b>(1,270,000)</b>
<b>Financing Activities</b>	
Capital fund	1,757,470
<b>Net cash flow from financing activities</b>	<b>1,757,470</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>37,470</b>
<b>Cash and Cash Equivalents at start of the year</b>	<b>0</b>
<b>Expected Cash and Cash Equivalents at end of the year</b>	<b>37,470</b>

## **NOTES**

### **1. General information**

Tanzania Better Health is domiciled in Tanzania. The address of its registered office and principal place of business is as set out in page 1. The principal activity of the company is to provide consultation services.

### **2. Basis of preparation and summary of significant accounting policies**

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board, with early application of the 2015 Amendments to the Standard. Early application of the 2015 Amendments has not resulted in any prior period adjustments or any significant changes in presentation. The financial statements are presented in Tanzanian Shillings (TZS), rounded to the nearest thousand. The measurement basis uses historical cost basis except where otherwise stated in the accounting policies below.

#### **Revenue Recognition**

Revenue from sale of services is recognised by reference to of completion of the transaction at the end of the reporting period. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government of Tanzania.

#### **Income Tax**

Tax expense represents the aggregate amount included in profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income tax payable or refundable in respect of the taxable profit or loss for the current and prior period, determined in accordance with the Tanzanian Income Tax Act.

#### **Translation of foreign currencies**

All transactions in foreign currencies are initially recorded in Tanzanian Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

#### **Share capital, share premium and dividends**

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of the par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared. Proposed dividends are accounted for as a separate component of equity until they have been declared at an annual general meeting.

#### **Financial assets.**

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivable do not bear interest.

At the end of each reporting period, the carrying amounts of trade and other receivables, are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately, in profit or loss account.

**NOTES (CONTINUED)**

**2. Basis of preparation and summary of significant accounting policies (continued)**

**Property, Plant and Equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property plant and equipment:

Furniture and Fittings 12.5 per cent

If there is an indication that there has been a significant 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 recognised in profit or loss.

**Financial liabilities**

Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

**3. Judgements and key sources of estimation uncertainty**

No significant judgements have had to be made by the directors in preparing these financial statements.

**4. Property, Plant and Equipment**

	Computer	Furnitures & Office equipment	Total
	TZS		TZS
<b>Year ended 31 December 2020</b>			
<b>At start of the period</b>			
Additions	1,200,000	70,000	1,270,000
<b>As at 31 December 2020</b>	<b>1,200,000</b>	<b>70,000</b>	<b>1,270,000</b>
<b>Accumulated Depreciation</b>			
<b>At start of the period</b>			
Charge during the period	450,000	8,750	458,750
<b>At the end of the period</b>	<b>450,000</b>	<b>8,750</b>	<b>458,750</b>
<b>Net Book Value as of 31 December 2020</b>	<b>750,000</b>	<b>61,250</b>	<b>811,250</b>