

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE
REPORTS AND FINANCIAL STATEMENTS
30 JUNE 2011

TANZANIA EDUCATION NETWORK (TENMET)
TWAWEZA PROGRAMME - UWEZO INITIATIVE

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

CONTENTS	PAGE
Project information	1
Report of management	2-3
Statement of management's responsibilities	4
Independent auditors' report	5
Statement of receipts and payments	6
Statement of financial position	7
Statement of cash flows	8
Notes to the financial statements	9-17

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

PROJECT INFORMATION

Tanzania Education Network
Board of Directors

Mr. Ginason Jandwa
Mr. Javes Sauni
Ms. Anita Masaki
Ms. Felister Kalomo
Mr. Leanard Soza
Mr. Meinruf Nyoni
Ms. Fatma Taufiq
Mr. Benedict Wambura
Ms. Mary Soko
Ms. Beatrice Nalingigwa
Mr. Stanley Kachecheba
Ms. Zippora Shekilango
Mr. Sweetbert Mushobozi
Mr. Jansi D Sinkamba
Mr. Sairis Chiwangu
Mr. Sauli Peter
Mr. Leonard Soza
Mr. Sixbert Musiba
Mr. Kaganzi Rutachgyabo

Management

Ms. Helima Mengele
Prof. Suleman Sumra

Address

Tanzania Education Network (TENMET)
Mtitu Street, plot No. 383
P.O. Box 13547
Dar es Salaam
Tanzania

Banker

Standard Chartered bank
International House
P.O Box 9011
Dar es Salaam

Auditors

Deloitte & Touche
Certified Public Accountants (Tanzania)
10th Floor, PPF Tower
Cnr of Ohio Street & Garden Avenue
P.O. Box 1559
Dar es Salaam
Tanzania

TANZANIA EDUCATION NETWORK (TENMET) TWAWEZA PROGRAMME - UWEZO INITIATIVE

REPORT OF THE MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2011

The Management of Tanzania Education Network (hereinafter "TENMET") has the pleasure to submit their report for the Uwezo Initiative (which is managed on behalf of Hivos Tanzania Limited under their Twaweza Programme) together with the audited financial statements for the financial year ended 30 June 2011 of the Uwezo Initiative.

1. PRINCIPAL ACTIVITIES

Tanzania Education Network (also known as *Mtandao wa Elimu Tanzania*) is a not-for-profit company Limited by Guarantee and Not Having a Share Capital, registered under the Companies Act, 2002 with registration number 53973 of 22 September 2005.

The main activity of TENMET is strengthening network for members at national, zonal and district level for effective participation in education policy processes through advocacy, eliminating exclusion and improving quality basic education based on research and innovation.

Hivos Tanzania Limited (Hereinafter "Hivos Tanzania") is also a not-for-profit company Limited by Guarantee and Not Having a Share Capital, registered under the Companies Act, 2002. The Company's principal activities include providing practical information to everyone and fostering quality independent media and citizen monitoring services.

2. BACKGROUND TO UWEZO INITIATIVE

Uwezo Initiative is a five-year Programme managed by Hivos Tanzania which aims at promoting better learning in East Africa by conducting research on the levels of literacy and numeracy of children aged 5 - 16 years. The Initiative has been implemented from 2009 and this is the Initiative's first set of financial statements.

The day-to-day activities of the Uwezo Initiative are hosted by implementing partner organisations mentioned below:

Tanzania - Tanzania Education Network (TENMET)
Kenya - Women Educational Researchers of Kenya (WERK)
Uganda - Uganda National NGO Forum (UNNGOF)

The budget for the Uwezo Initiative during its five-year implementation period is United States Dollars (USD) 16.2 million. This funding is primarily derived from grants from international agencies with the main donors being Hivos Netherlands, The Hewlett Foundation, Accountability Tanzania (ACT Fund), Open Society Institute (OSI) and Swedish International Development Agency (SIDA) Tanzania.

During the year, TENMET received a total of USD 1,418,385 for implementation of activities of the Uwezo Initiative.

3. FINANCIAL STATUS

Uwezo Initiative's funding is derived from grants received from various donors. During the year ended 30 June 2011, Uwezo Initiative received grants from SIDA, Department for International Development (DFID), and Association for Development of Education in Africa (ADEA).

TANZANIA EDUCATION NETWORK (TENMET)
TWAWEZA PROGRAMME - UWEZO INITIATIVE

REPORT OF THE MANAGEMENT (CONTINUED)

4. DIRECTORS

The directors of the Initiatives at the date of this report all of whom have been in office since the beginning of the reporting period, unless otherwise stated are:

Name	Nationality	Status	Date of first appointment
Mr. Ginason Jandwa	Tanzanian	Director	
Mr. Javes Sauni	Tanzanian	Director	
Ms. Anita Masaki	Tanzanian	Director	
Ms. Felister Kalomo	Tanzanian	Director	
Mr. Leanard Soza	Tanzanian	Director	
Mr. Meinruf Nyoni	Tanzanian	Director	
Mr. Benedict Wambura	Tanzanian	Director	
Ms. Fatma Taufiq	Tanzanian	Director	
Ms. Mary Soko	Tanzanian	Director	Appointed on 22 nd September 2011
Ms. Beatrice Nalingigwa	Tanzanian	Director	Appointed on 22 nd September 2011
Mr. Stanley Kachecheba	Tanzanian	Director	Appointed on 22 nd September 2011
Ms. Zippora Shekilango	Tanzanian	Director	Appointed on 22 nd September 2011
Mr. Sweetbert Mushobozi	Tanzanian	Director	Appointed on 22 nd September 2011
Mr. Jansi D Sinkamba	Tanzanian	Director	Appointed on 22 nd September 2011
Mr. Sairis Chiwangu	Tanzanian	Director	Appointed on 22 nd September 2011
Mr. Sauli Peter	Tanzanian	Director	Appointed on 22 nd September 2011
Mr. Leonard Soza	Tanzanian	Director	Appointed on 22 nd September 2011
Mr. Sixbert Musiba	Tanzanian	Director	Appointed on 22 nd September 2011
Mr. Kaganzi Rutachyabo	Tanzanian	Director	Appointed on 22 nd September 2011

5. ADMINISTRATION POLICIES AND FINANCIAL REGULATIONS

Uwezo Initiative has formal Administration Policies and Financial regulations approved by the Board of Directors of TENMET Tanzania. These provide a solid basis for accountability and high standards within the organization.

6. AUDITORS

Deloitte & Touche were auditors of Uwezo Initiative for the financial year ended 30 June 2011 and are eligible for re-appointment.

BY ORDER OF THE MANAGEMENT



Helima Mengele
Coordinator
14/6/2012

TANZANIA EDUCATION NETWORK (TENMET)
TWAWEZA PROGRAMME - UWEZO INITIATIVE

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

The management of Uwezo Initiative is responsible for preparing the financial statements that give a true and fair view of the state of affairs of the Initiative at the end of the financial year and of the operating results of the Initiative for the year. Management is required to ensure that the Initiative keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Initiative; and is also responsible for safeguarding the assets of the Initiative.

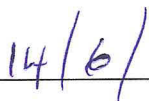
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards; and for such internal controls as management determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Management accepts responsibility for the 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. Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Initiative and of the results of its activities. 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.

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



Helima Mengele
Coordinator



2012

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF HIVOS TANZANIA LIMITED

We have audited the accompanying financial statements of Uwezo Initiative set out on pages 6 to 17 which comprise the statement of financial position as at 30 June 2011, statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of financial affairs of the Initiative as at 30 June 2011, and of its surplus and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte + Touche

Certified Public Accountants (T)
Dar es Salaam

Signed by: E.A. Harunani

14 June 2012

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 USD	2010 USD
Income			
Revenue grants released	6(a)	1,474,135	439,707
Capital grant released	7	<u>8,997</u>	<u>3,421</u>
Total income		<u>1,483,132</u>	<u>443,128</u>
Programme expenses			
Direct programme expenses	8	1,242,732	345,439
Indirect programme and administrative expenses	9	<u>240,400</u>	<u>97,689</u>
Total expenses		<u>1,483,132</u>	<u>443,128</u>
Surplus for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		<u>-</u>	<u>-</u>

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 USD	2010 USD
ASSETS			
Non-current assets			
Property and equipment	10	<u>28,997</u>	<u>28,795</u>
Current assets			
Advances to staff		26,997	747
Cash and bank balances	11	<u>215,821</u>	<u>308,894</u>
		<u>242,818</u>	<u>309,641</u>
Total assets		<u>271,815</u>	<u>338,436</u>
LIABILITIES			
Non-current liabilities			
Deferred capital grants	7	<u>28,997</u>	<u>28,795</u>
Current liabilities			
Deferred revenue grants	6(a)	242,818	307,767
Accruals and payables		<u>-</u>	<u>1,874</u>
		<u>242,818</u>	<u>309,641</u>
Total equity and liabilities		<u>271,815</u>	<u>338,436</u>

The financial statements on pages 6 to 17 were approved by TENMET Management on
14 June 2012 and were signed on its behalf by:



Helima Mengele
Co-ordinator

14/6/ 2012

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 USD	2010 USD
Cash flows from operating activities			
Surplus for the year		-	-
Adjustments for:			
Revenue grants released	6(a)	(1,474,135)	(439,707)
Capital grants released	7	(8,997)	(3,421)
Depreciation charge	10	<u>8,997</u>	<u>3,421</u>
		(1,474,135)	439,707
Changes in working capital items:			
Increase in other receivables		(26,250)	(747)
(Decrease)/increase in other payables		<u>(1,874)</u>	<u>1,874</u>
Cash used in operating activities		<u>(1,502,259)</u>	<u>(438,580)</u>
Cash flows from investing activities			
Purchase of property and equipment		<u>(9,199)</u>	<u>(32,216)</u>
Cash flows from financing activities			
Grants received during the year	6(b)	<u>1,418,385</u>	<u>779,690</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(93,073)	308,894
Cash and cash equivalents at beginning of the period		<u>308,894</u>	<u>-</u>
Cash and cash equivalents at end of the period	11	<u>215,821</u>	<u>308,894</u>

TANZANIA EDUCATION NETWORK (TENMET)
TWAWEZA PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Uwezo Initiative (the "Initiative") is managed by TENMET which is incorporated in Tanzania under the Companies Act 2002 with registration number 53973 on 22 September 2005. The address of its registered office is Mtitu Street, Plot No. 383 P.O Box 13547 Dar es Salaam.

2. STANDARDS AND INTERPRETATIONS AFFECTING THE REPORTED RESULTS OR FINANCIAL POSITION

Adoption of new and revised International Financial Reporting Standards (IFRSs)

a) *New and revised IFRSs effective for the year ended 30 June 2011.*

Amendments to IAS 1 Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)

The amendments to IAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. The Initiative continued to disclose such items in the statement of changes in accumulated funds and the amendment had no effect on the Initiative's financial statements.

IAS 24 Related Party Disclosures (as revised in 2009)

IAS 24 (as revised in 2009) has been revised on the following two aspects: (a) IAS 24 (as revised in 2009) has changed the definition of a related party and (b) IAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Initiative is not a government-related entity. The application of the revised definition of related party set out in IAS 24 (as revised in 2009) in the current year has not resulted in the identification of related parties that were not identified as related parties under the previous Standard.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Interpretation provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Specifically, under IFRIC 19, equity instruments issued under such arrangement will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognised in profit or loss.

The application of IFRIC 19 has had no effect on the amounts reported in the current and prior years because the Initiative has not entered into any transactions of this nature.

Improvements to IFRSs issued in 2010

The application of Improvements to IFRSs issued in 2010 has not had any material effect on amounts reported in the Initiative's financial statements

TANZANIA EDUCATION NETWORK (TENMET)
TWAVEZA PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 JUNE 2011 (Continued)

2. STANDARDS AND INTERPRETATIONS AFFECTING THE REPORTED RESULTS OR FINANCIAL POSITION (CONTINUED)

**Adoption of new and revised International Financial Reporting Standards (IFRSs)
(Continued)**

b) New and revised IFRSs in issue but not yet effective for the year ended 30 June 2011

<i>New and Amendments to standards</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to IFRS 7-Disclosure-Transfer of Financial Assets	1 July 2011
IFRS 9, Financial Instruments - Classification and Measurement (2010)	1 January 2015
IAS 12, Income Taxes - limited scope amendment (recovery of underlying assets)	1 January 2012
IAS 1, Presentation of Financial Statements - presentation of items of other comprehensive income	1 July 2012
IAS 19, Employee Benefits (2011)	1 January 2013
IAS 28, Investments in Associates and Joint Ventures (2011)	1 January 2013
IFRS 11, Joint Arrangements	1 January 2013

Amendment to interpretations

IFRIC 14, IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction; prepayments of a minimum funding requirement	1 January 2013
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c) Impact of new and amended standards and interpretations on the financial statements for the year ended 31 June 2011 and future annual periods

IFRS 9, Financial Instruments

IFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Initiative will apply the amendment prospectively.

IAS 19 (as revised in 2011) - Employee Benefits

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The management anticipates that the application of the amendments to IAS 19 may not have an impact on the financial statements of the Initiative.

d) Early adoption of standards

The Initiative did not early-adopt any new or amended standards in 2011.

TANZANIA EDUCATION NETWORK (TENMET)
TWAWEZA PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement of compliance

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS).

Basis of accounting

The financial statements are prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Revenue recognition

Grants Income

Uwezo Initiative operates funding arrangement with various donors. Grants received are initially booked into deferred grants as a liability. The balance of this account is reduced gradually through transfer to capital and revenue grants as explained below.

Capital grants

Grants used for the acquisition of property and equipment during the period are allocated to a capital grants account. The capital grants are amortised to the income and expenditure statement on a systematic basis to match the depreciation charge on the assets acquired using the grants.

Revenue grants

Revenue grants represent balance of funds used for general operations of the organisation's programmes and activities during the year.

Programme expenses

Represent expenses in carrying out the Initiative's activities and are recorded on an accrual basis.

Foreign currency translation

The presentational currency of the Initiative is United States Dollars (USD).

Transactions in currencies other than USD are translated into USD at rates approximating those prevailing at the transaction dates. At each end of reporting period, monetary assets and liabilities which are expressed in other currencies are translated into USD at rates ruling at that date. The resulting differences from translation are included in profit or loss in the year in which they arise.

Property and equipment

Property and equipment are stated at historical cost less depreciation. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Initiative and the cost of the item can be reliably measured.

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over the estimated useful life as follows:

The rates of depreciation in use are:	%
Motor vehicles	25
Furniture	12.5
Computers	33
Office equipment	25

Where the carrying amount of assets is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gain and losses on disposal are determined by comparing proceeds with carrying amount and included in the surplus or deficit.

Impairment of assets

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Accounting for leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and the rewards of ownership to the lessee. All other leases are classified as operating leases.

Payments made under operating leases are charged to the income and expenditure statement on a straight-line basis over the period of the lease.

Provisions

Provisions are recognised when the Initiative has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

Retirement benefit obligations

The Initiative makes statutory contributions to the Parastatal Pension Fund (PPF) and Government Employees Provident fund (GEPF). The Initiative's obligation with respect to contributions is 10% of the employees' gross emoluments. The Initiative's contributions with respect to these retirement benefits obligations are charged to surplus or deficit in the period to which they relate.

Comparative figures

Where necessary comparative figures have been adjusted to confirm with changes in presentation in the current year.

TANZANIA EDUCATION NETWORK (TENMET)
TWAWEZA PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Initiative's accounting policies, which are described in note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Equipment

Critical estimates are made by the management in determining the useful lives of equipment as well as their residual values.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Initiative's activities expose it to a variety of financial risks, including credit risk, liquidity risk and market risk. The Initiative's overall risk management programme seeks to minimise potential adverse effect on the Initiative's financial performance.

Risk management is carried out by the Finance and Administration department under policies approved by the Board of Management.

Market risk

(i) Foreign exchange risk

The Initiatives has some exposure to foreign currency as its donor income is largely earned in US Dollars, while operating expenditure is incurred principally in local currency.

Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies.

(ii) Interest rate risk

The Initiatives did not have any interest bearing financial assets and liability as at June 2011.

Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables. The Initiative does not have any significant concentrations of credit risk.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of confirmed funding from donors.

Management ensures that it plans and contacts donors on a timely basis to ensure smooth flow of funds.

As at year end, the Initiative did not have significant exposure to liquidity risk.

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2011 USD	2010 USD
6(a) DEFERRED REVENUE GRANTS		
Balance at the beginning of the year	307,767	-
Funds received during the year	1,418,385	779,690
Revenue grants transferred to deferred capital grants (Note 7)	(9,199)	(28,795)
Released to statement of income and expenditure	<u>(1,474,135)</u>	<u>(443,128)</u>
Revenue grants deferred to next reporting period	<u>242,818</u>	<u>307,767</u>
6(b) GRANTS RECEIVED FROM SPECIFIC DONORS		
Swedish International Development Agency	764,858	593,782
Hewlett Foundation	-	50,726
The UK Department for International Development	649,351	135,182
Association for Development of Education in Africa	<u>4,176</u>	<u>-</u>
	<u>1,418,385</u>	<u>779,690</u>
7. MOVEMENT IN DEFERRED CAPITAL GRANTS		
At 1 July 2010	28,795	-
Transfer from deferred grants (Note 6a)	9,199	32,216
Capital grants released during the year (Note 10)	<u>(8,997)</u>	<u>(3,421)</u>
At 30 June 2011	<u>28,997</u>	<u>28,795</u>

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. DIRECT PROGRAMME EXPENSES	2011 USD	2010 USD
Host organization capacity development	19,202	16,869
Supportive networks for <i>Uwezo</i> developed	174	13,026
Research design framework developed	24,289	1,231
Public engagement & communication strategy developed	-	1,050
National assessment tools	227,636	71,371
Household based assessment undertaken	759,294	201,650
Data accurately entered and analysed	38,117	27,283
Communication material in assessable format	147,480	4,044
Greater public debate	-	6,186
National report	13,161	-
Uwezo Progress tracked	5,419	2,729
Feed back at house hold	1,835	-
Monitoring & Evaluation Framework	2,320	-
Lesson documented and shared	3,805	-
	<u>1,242,732</u>	<u>345,439</u>
9. INDIRECT PROGRAMME AND ADMINISTRATIVE EXPENSES		
Staff costs	211,126	106,348
Office running costs	15,606	8,150
Depreciation	8,997	3,421
Foreign exchange gains	4,671	(20,230)
	<u>240,400</u>	<u>97,689</u>

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. PROPERTY AND EQUIPMENT

	Motor vehicle USD	Computer & accessories USD	Equipment USD	Furniture & fittings USD	Other Asset USD	Total USD
Cost						
At 1 July 2009	-	-	-	-	-	-
Additions	23,846	5,855	162	692	1,661	32,216
At 30 June 2010	23,846	5,855	162	692	1,661	32,216
At 1 July 2010	23,846	5,855	162	692	1,661	32,216
Additions	-	4,433	-	4,766	-	9,199
At 30 June 2011	23,846	10,288	162	5,458	1,661	41,415
Depreciation						
At 1 July 2009	-	-	-	-	-	-
Charge for the year	1,987	1,236	17	43	138	3,421
At 30 June 2010	1,987	1,236	17	43	138	3,421
At 1 July 2010	1,987	1,236	17	43	138	3,421
Charge for the year	5,962	2,493	40	87	415	8,997
At 30 June 2011	7,949	3,729	57	130	553	12,418
Net Book Value						
At 30 June 2011	15,897	6,559	105	5,328	1,108	28,997
At 30 June 2010	21,859	4,619	145	649	1,523	28,795

11. CASH AND BANK BALANCES

	2011 USD	2010 USD
Cash at bank	215,625	308,686
Cash on hand	196	208
	<u>215,821</u>	<u>308,894</u>

TANZANIA EDUCATION NETWORK (TENMET)
TWAWEZA PROGRAMME - UWEZO INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RELATED PARTY TRANSACTIONS

Transactions with related parties

Compensation paid to key management personnel is as set out below:

Compensation of Key Management personnel	2011 USD	2010 USD
Short term benefits (salaries and allowances)	<u>211,126</u>	<u>106,348</u>

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Initiative directly or indirectly.

13. CAPITAL COMMITMENTS

As at 30 June 2011, there were no significant contractual commitments for capital expenditure relating to the Uwezo Initiative.

14. OPERATING LEASE COMMITMENTS

At the reporting date, there were no any outstanding commitments under operating leases relating to the Uwezo Initiative.

15. EVENTS AFTER THE REPORTING DATE

At the date of signing these accounts the management is not aware of any events subsequent to the financial year end that would result in either adjustments to the reported amounts and/or disclosures being included to the financial statements.

16. CURRENCY

The financial statements are prepared in United States Dollars (USD). However, the currency of the primary economic environment in which the Initiative is being implemented is Tanzanian Shillings (TZS.)

17. CONTINGENT LIABILITIES

Management is of the opinion that there are no contingent liabilities at the year end.

18. REGISTRATION STATUS

TENMET (which hosts the Uwezo Initiative) is registered in Tanzania under the Companies Act, 2002 with registration No. 53973 of 22 September 2005.

TANZANIA EDUCATION NETWORK (TENMET)
TWaweza PROGRAMME - UWEZO INITIATIVE

APPENDIX

DETAILED PROJECT PROGRAMME BUDGET VS ACTUAL FOR THE PERIOD
ENDED 30 JUNE 2011

Description	Budget (USD)	Actual (USD)	Variance (USD)	Variance (%)	Explanation for the variance
Host Organisation Capacity Developed	21,460	19,202	2,258	89%	
Supportive Networks for UWEZO Developed	17,800	174	17,626	1%	Some costs were covered by Uwezo East Africa
Research design framework developed	27,773	24,289	3,484	87%	
Public engagement & communication strategy developed	3,000	-	3,000	0%	Not done as planned
National assessment tools tests process	263,887	227,636	36,251	86%	
Household based assessment undertaken	784,730	759,294	25,436	97%	
Data accurately entered & analyzed	41,800	38,117	3,683	91%	
District & national reports produced	74,100	13,161	60,939	18%	Reports were not produced on planned period/(produced 2010/2011) Not done as planned/shifted to 2010/2011
Instant feedback to study community provided	13,300	1,835	11,465	14%	Not done as planned due to late production of report
Communications materials in accessible Formats	138,120	147,480	(9,360)	107%	
Tailor made communication materials for key Actors	2,000	-	2,000	0%	Not done as planned
Greater public debate & coverage. about learning	2,000	-	2,000	0%	Not done as planned
Teachers union /Professional Association emphasized learning	1,000	-	1,000	0%	Not done as planned
Rigorous monitoring & evaluation framework developed	5,000	2,320	2,680	46%	Not done as planned Some staffs were recruited halfway through the year
Staff recruited & motivated to realize UWEZO goals	261,507	211,126	50,381	81%	
Office & Assets functioning optimally & well managed	15,000	15,606	(606)	104%	
Uwezo progress tracked	9,650	5,419	4,231	56%	The activity is going on
Lesson documented & shared	8,000	3,805	4,195	48%	Going on
Fixed assets	2,000	9,199	(7,199)	460%	New furniture's purchased after shifting to new office
Exchange gain	-	4,671	(4,671)	-	
	1,692,127	1,483,334			
Less: fixed assets	-	(9,199)			
Add: depreciation	-	8,997			
	1,692,127	1,483,132			