

CORNEL NGALEKU CHILDREN CENTRE
(REGISTERED UNDER TRUSTEES' INCORPORATION
ORDINANCE 1956 - CERTIFICATE NO. 2855)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

CORNEL NGALEKU CHILDREN CENTRE

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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CORNEL NGALEKU CHILDREN CENTRE

**CENTRE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010**

PRINCIPAL ADDRESS

Cornel Ngaleku Children Centre
P.O. Box 2780
Arusha
Tanzania

BANKERS

Barclays Bank Tanzania Limited
P.O. Box 14652
Arusha
Tanzania

National Microfinance Bank
Clock Tower Branch
P.O. Box 3013
Arusha
Tanzania

National Microfinance Bank
Tarakea Branch
P.O. Box 34
Rombo
Kilimanjaro
Tanzania

AUDITORS

Ernst & Young
Certified Public Accountants
Utalii House
36 Laibon Road, Oysterbay
P.O. Box 2475
Dar es Salaam
Tanzania

CORNEL NGALEKU CHILDREN CENTRE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

1. INTRODUCTION

The Trustees submit their report and the audited financial statements for year ended 31 December 2010.

2. OBJECTIVES and ACTIVITIES

Cornel Ngaleku Children Centre (CNCC) was founded by Michael Ngaleku Shirima and his family for the purpose of giving children who are orphaned, abandoned or neglected, an opportunity to make use of the facilities and be taken care of and loved so that they may survive the perils of having no parents or relatives to take care of them.

The Centre is registered as a Not-for-profit organisation incorporated under the provisions of the Trustees' Incorporation Ordinance, 1956 and is accorded with certificate number 2855 dated 1 July 2004. The Centre is presently processing a certificate of compliance with the Non-Governmental Organization Act 2002, as required by the very Act.

The Centre's vision is to provide nutritional care, accommodation, health and education for the disadvantaged children regardless of their religions, ethnic origin or gender.

The Centre has been built on a five acre piece of land donated by the founder of the project. The Centre is located in a remote village of Leto-Usseri, in the rural district of Rombo on the lower eastern slopes of Mount Kilimanjaro, 80 kilometers from Moshi town and one kilometer west of Kenya/Tanzania border.

3. STATEMENT OF TRUSTEES RESPONSIBILITIES

The Board of Trustees of the Centre is responsible for the preparation of financial statements, which give a true and fair view of the state of affairs of the Centre as at the end of each financial year and of its operating results for that year.

The trustees are also responsible for ensuring that the Centre keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Centre. It is also for safeguarding the assets of the Centre and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

CORNEL NGALEKU CHILDREN CENTRE

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2010

3. STATEMENT OF TRUSTEES RESPONSIBILITIES (Continued)

The trustees hereby accept responsibility for the accompanying financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with accounting policies set out herein.

The trustees acknowledge the fact that system of internal controls including segregation of duties and related forms of simple but effective controls need to be in place. Nevertheless the trustees provide close supervisory controls on a daily basis for safeguarding the assets of the Centre, measuring its performance and controlling its activities.

4. RESULTS AND GOING CONCERN

The operating results for the year are set out on page 7 of the financial statements.

At present the Centre has no trading activities and continues to depend on donations from various donors including its founders in order to sustain its operations in the foreseeable future.

The founder has provided a letter of commitment to continue providing financial support to the centre to enable it to meet its obligations as and when they fall due in the foreseeable future.

Donors who provided financial support during the year are shown in Note 3

5. TRUSTEES

The trustees who served during the year and to the date of this report are:-

1. Mr. Michael N. Shirima	Trustee and Chairman
2. Mr. Vincent N. Shirima	Trustee
3. Mr. Arun Lodhia	Trustee
4. Dr. Mary Mboya	Trustee
5. Mr. Sergio Valente	Trustee
6. Mr. Auny F. Rajabali	Trustee
7. Mrs. Kerri Mramba	Trustee

6. RELATED PARTY TRANSACTIONS

The Centre received revenue and capital grants from Mr. Michael Ngaleku Shirima and other donors including the Dutch Foundation, Sarit S. Shah, Coeur Tanzania Limited and Palazzo D. Propaganda Fide as set out in Note 3. Mr. Michael, the founder, has also contributed land, buildings and motor vehicles as disclosed in Note 20.

CORNEL NGALEKU CHILDREN CENTRE

TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

7. GOING CONCERN

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

8. EMPLOYEES WELFARE

Management and employees relationship

The relationship between employees and management remained cordial throughout the year.

Training facilities

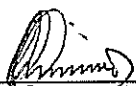
The Centre strives to provide training to its employees as and when it is necessary.

9. AUDITORS

Ernst & Young were appointed during the year and have expressed their willingness to continue in office as auditors for the Centre.

The proposal to appoint Ernst & Young as auditors of the Centre will be presented to the next Annual General Meeting.

By order of the board of Trustees



CHAIRMAN OF THE TRUSTEE

5 January 2012
DATE

REPORT OF THE HONORARY AUDITORS

to the Board of Trustees of **CORNEL NGALEKU CHILDREN CENTRE**

We have audited the financial statements of the Cornel Ngaleku Children Centre ("the Centre") which comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in net assets/equity and cash flows statements for the year ended then, and summary accounting policies and other explanatory notes set out.

Trustee's Responsibility for the Financial Statements

Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and comply with Trustees' Incorporation Ordinance and for such internal control as the directors determines is 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 whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the centre's preparation and fair presentation of the financial statements 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 Trustee, 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.

REPORT OF THE HONORARY AUDITORS (Continued)


Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Cornel Ngaleku Children Centre as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Standards (IPSAS) and comply with Trustees' Incorporation Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 17 to the financial statements which disclose the fact that the land and building valued at TZS 1,600,000,000 is located at an unsurveyed plot of Land at Leto Village, Kitirima Kingachi Ward/Useri Rombo District and the Centre does not have title deeds over the land. The Trustees of the Centre have confirmed that the Centre owns the land and buildings and they are presently in a process of obtaining the title deeds from the Government authorities.

Furthermore, as stated in Note 1, the Centre has no trading activities at present and continues to depend on donations from various donors including its founder. The founder has provided a letter of commitment to continue providing financial support to the centre to enable it to meet its obligations as and when they fall due in the foreseeable future.


Ernst & Young
Certified Public Accountants
Dar es Salaam

Signed by: Joseph Sheffu

Date: 5 January, 2012

CORNEL NGALEKU CHILDREN CENTRE

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 TZS	2009 TZS
REVENUE			
Recurrent grant	3	121,830,366	107,457,535
Dispensary sales	4	1,088,400	5,504,510
Other income	5	10,364,169	3,272,864
Amortisation on deferred capital grant	19	<u>58,968,792</u>	<u>61,781,426</u>
Total revenue		<u>192,251,727</u>	<u>178,016,335</u>
EXPENSES			
Children expenses	7	68,014,217	33,564,985
Dispensary expenses	8	204,500	822,600
Livestock expenses	9	3,056,933	-
Poultry expenses	9	1,011,300	-
Tractor and lorry running expenses	9	87,800	1,834,000
Administration expenses	10	51,909,548	43,961,909
Loss on disposal of fixed assets	6	338,187	-
Finance expenses	11	927,225	474,312
Depreciation expenses	17	<u>58,968,792</u>	<u>61,781,426</u>
Total expenses		<u>184,518,502</u>	<u>142,439,232</u>
Excess of revenue over expenses		<u><u>7,733,225</u></u>	<u><u>35,577,103</u></u>

CORNEL NGALEKU CHILDREN CENTRE

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Notes	2010 TZS	2009 TZS
ASSETS			
Current assets			
Cash and bank balances	12	119,197,001	93,231,501
Other receivables	13	16,765,277	8,553,870
Current Account - Mr. M. Shirima		-	540,000
Inventories	14	1,227,971	990,680
		<u>137,190,249</u>	<u>103,316,051</u>
Non current assets			
Property, plant and equipment	17	1,703,019,839	1,740,448,867
Investments	15	8,892,375	11,792,063
Biological assets	16	3,720,667	3,765,000
		<u>1,715,632,881</u>	<u>1,756,005,930</u>
Total assets		<u><u>1,852,823,130</u></u>	<u><u>1,859,321,981</u></u>
LIABILITIES			
Current liabilities			
Creditors and accruals	18	43,879,515	41,333,530
		<u>43,879,515</u>	<u>41,333,530</u>
Non-current liabilities			
Deferred capital grant	19	1,758,970,045	1,772,848,418
		<u>1,758,970,045</u>	<u>1,772,848,418</u>
Total liabilities		<u><u>1,802,849,560</u></u>	<u><u>1,814,181,948</u></u>
Net assets		<u><u>49,973,570</u></u>	<u><u>45,140,033</u></u>
NET ASSETS/EQUITY			
Reserves		(2,706,375)	193,313
Accumulated surplus		52,679,945	44,946,720
		<u><u>49,973,570</u></u>	<u><u>45,140,033</u></u>

These financial statements were approved by the Board of Trustee for issue on 05, January, 2012
and were signed on their behalf by:

Michael N. Shirima

Name

Chairman

Title

Vincent N. Shirima

Name

Trustee

Title

CORNEL NGALEKU CHILDREN CENTRE

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

Notes	Accumulated	Reserve	Total
	fund		
	TZS	TZS	TZS
Balance as at 1 January 2009	9,369,617	-	9,369,617
Gain on revaluation of investments		193,313	193,313
Excess of revenue over expenses	35,577,103	-	35,577,103
Changes in net assets/equity for 2009	44,946,720	193,313	45,140,033
Gain on revaluation of investments	-	(2,899,688)	(2,899,688)
Excess of revenue over expenses	7,733,225	-	7,733,225
Changes in net assets/equity for 2010	52,679,945	(2,706,375)	49,973,570

CORNEL NGALEKU CHILDREN CENTRE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 TZS	2009 TZS
OPERATING ACTIVITIES			
Excess of revenue over expenses		7,733,225	35,577,103
Depreciation expenses	17	58,968,792	61,781,426
Loss on disposal of fixed assets	17	338,187	-
Amortisation of deferred capital grant	19	(58,968,792)	(61,781,426)
Adjustment on property, plant and equipment	17	11,820,000	-
Death of livestock		883,333	-
Working capital changes			
Increase in other receivables		(8,211,407)	(2,173,870)
Decrease in inventory		(237,291)	2,725,860
Decrease in current account		540,000	(540,000)
Increase in creditors and accruals		2,545,985	26,214,986
Cash used / from operating activities		15,412,032	61,804,079
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	17	(33,697,951)	(138,057,800)
Purchase of shares	15	-	(11,598,750)
Purchase of livestock		(839,000)	(3,765,000)
Cash used in investing activities		(34,536,951)	(153,421,550)
FINANCING ACTIVITIES			
Capital grant received		45,090,419	118,105,000
Cash from financing activities		45,090,419	118,105,000
Net change in cash and cash equivalents		25,965,500	26,487,529
Cash and cash equivalents at 1 January		93,231,501	66,743,972
Cash and cash equivalents at 31 December		119,197,001	93,231,501

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. BASIS OF PREPARATION

The financial statements have been prepared on historical cost convention, except for revaluation of land and buildings, which have been measured at fair value. The financial statements of the Centre have been prepared in accordance with International Public Sector Standards (IPSAS) and comply with Trustees' Incorporation Ordinance.

The financial statements are presented in Tanzanian Shillings (TZS).

Going Concern

The centre has no trading activities and continues to depend on donations from various parties including the founder. The founder has provided a letter of commitment to continue providing financial support to the centre to enable it to meet its obligations as and when they fall due in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Revenue recognition

Capital grants

Capital grants are credited to income over the useful lives of the related capital assets.

Grants received for the purchase of fixed assets are recognized initially in the capital grant account. Fixed assets received directly from donors are recorded at fair value in the capital grant account. Capital grants are released to the income statement over the expected useful life of the respective assets, to offset the depreciation charge for the year.

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 31 DECEMBER 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

a) Revenue recognition (*Continued*)

Revenue grants

Revenue grants received from donors to fund general operations are recognized in the income statement upon receipt. Funds received from donors to finance specific expenditure are recognized initially in the deferred grant account. Such deferred grants are released to income to match the specific expenditure incurred in accordance with the donor instructions/agreements.

School fee

School fee income is recognized as services are rendered. A token amount is charged as school fees to the children who receive day care facilities at the centre and whose parents, living in the vicinity, are financially capable to pay the fees.

Sale of goods

b) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, except land and buildings, which have been revalued. Depreciation is provided so as to write off the cost on a straight-line basis over the expected useful economic lives of the assets concerned. The depreciable amount of a revalued asset is based on its revalued amount and not its cost. The principal annual rates used for this purpose are:

Leasehold buildings	4%
Plant and machinery	5%
Motor vehicles	20%
Tools and equipments	5 - 33.3%
Furniture, fittings and office equipments	5 - 33.3%

Land and buildings are measured at fair value less accumulated depreciation on buildings. Valuations are performed to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the assets revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*) FOR THE YEAR ENDED 31 DECEMBER 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

An annual transfer from the asset revaluation reserve to general reserves is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

c) Inventories

Materials and supplies (which include medicine, training and sports materials and other consumables) are stated at the lower of cost and net realisable value. Cost is generally determined on the actual invoice value and includes all applicable overheads.

d) Biological Asset

Biological assets are carried at fair value. The cost of upkeep and maintenance of the biological assets is expensed in the period incurred.

e) Foreign currency transaction

Functional and presentation currency

Items included in the financial statements of the Centre are measured using the currency of the primary economic environment in which the Centre operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS), which is the Centre's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*) FOR THE YEAR ENDED 31 DECEMBER 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

f) Other receivables

Other receivables are stated at normal value, less any write down for amounts expected to be irrecoverable.

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and at hand. For the purpose of the cash flow statement, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

h) Related Party Transactions

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 and operating decisions. They include relationship with key Management Personnel. For Centre key management include; trustees, heads of departments and Units and their close relatives. Some of the Centre's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements

i) Creditors and accruals

Liabilities for the creditor and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Centre.

j) Income Taxes

Cornel Ngaleku Children Centre is a charitable organization within the meaning of the Income Tax Act of Tanzania. The Centre is therefore exempt from the Income Tax on its charitable income and grants.

k) Value Added Tax (VAT)

Cornel Ngaleku Children Centre is not registered for VAT therefore cost of the purchases of supplies includes the VAT element except where VAT exemption is obtained from taxation authority on specific procurement of goods and services.

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 TZS	2009 TZS
3. RECURRENT GRANT		
Cash from CNCC Trustees	18,000,000	14,906,000
Dutch Foundation	21,560,000	27,605,114
Sarit S. Shah	-	26,780,000
I & M Bank (Tanzania) Limited	5,000,000	-
Mohamed Raza - Zanzibar	10,000,000	-
Fiocenza - Italy	6,600,000	-
Giovanni Group - Italy	9,477,000	-
Precision Air Services	22,464,000	-
Mr & Mrs Pieter	1,200,000	-
Palazzo D. Propaganda Fide	-	8,320,000
MNS	5,000,000	-
Other friends of the Centre	22,529,366	29,846,421
Total	<u><u>121,830,366</u></u>	<u><u>107,457,535</u></u>
4. DISPENSARY SALES		
Dispensary sales	1,088,400	5,504,510
Total	<u><u>1,088,400</u></u>	<u><u>5,504,510</u></u>
5. OTHER INCOME		
Income from tractor	1,660,000	2,723,000
Income from Lorry	4,703,000	-
School fee	-	225,000
Income from water project	2,667,000	324,864
Dividend received on shares investment	727,169	-
Other income e.g. Vegetable and Poultry sales	607,000	-
Total	<u><u>10,364,169</u></u>	<u><u>3,272,864</u></u>
6. LOSS ON DISPOSAL OF FIXED ASSETS		
Loss on disposal of fixed assets	338,187	-
Total	<u><u>338,187</u></u>	<u><u>-</u></u>
7. CHILDREN EXPENSES		
Children and Staff Food	10,765,340	7,565,200
Children caring consumables	7,599,700	1,829,200
Allowances for the Sisters (nuns) running the Centre	7,590,000	7,409,000
Other costs of keeping children in the centre	42,059,177	16,761,585
Total	<u><u>68,014,217</u></u>	<u><u>33,564,985</u></u>

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 TZS	2009 TZS
8. DISPENSARY EXPENSE		
Dispensary expenses	204,500	822,600
Total	<u>204,500</u>	<u>822,600</u>
9. ACTIVITIES EXPENSES		
Livestock expenses	3,056,933	-
Poultry expenses	1,011,300	-
Tractor and Lorry expenses	87,800	1,834,000
Total	<u>4,156,033</u>	<u>1,834,000</u>
10. ADMINISTRATION EXPENSES		
Salary and wages	18,240,115	13,230,699
Printing and stationeries	1,987,820	883,800
Advertisement and sales promotion	6,315,604	591,700
Education and training	470,100	813,600
Postage and telephone	1,264,400	1,169,052
Water and electricity	2,194,037	3,768,867
Travelling and accommodation	1,145,325	586,075
Motor vehicle running expenses	3,123,130	13,179,550
Generator expenses	1,928,001	567,500
Insurance general	2,900,000	1,578,250
Security expenses	48,500	3,000
Repairs office and office equipment	1,786,500	2,082,466
Environmental up keep	3,152,700	582,700
Subscription fees (internet)	3,262,067	2,740,900
Professional fees	4,091,250	2,183,750
Total	<u>51,909,548</u>	<u>43,961,909</u>
11. FINANCE EXPENSES		
Bank charges	927,225	474,312
Total	<u>927,225</u>	<u>474,312</u>

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 TZS	2009 TZS			
12. CASH AND BANK BALANCES					
Recurrent Account					
National Microfinance bank-Clock tower	31,151,598	5,549,332			
National Microfinance bank-Tarakea	3,032,673	1,288,869			
National Microfinance bank-Dispensary Account	7,120,210	6,662,310			
Petty Cash Account	78,166	52,466			
Total	<u>41,382,647</u>	<u>13,552,977</u>			
Current Account					
Barclays bank - US\$ Account	2,274,714	77,828,747			
I & M Bank Limited	75,539,640	-			
National Microfinance bank - Clock tower	-	1,849,777			
Total	<u>77,814,354</u>	<u>79,678,524</u>			
Total cash and bank balances	<u>119,197,001</u>	<u>93,231,501</u>			
13. OTHER RECEIVABLES					
Staff Loans/Imprests	5,217,527	7,885,120			
Water Solutions Drilling Co Limited	9,789,000	-			
Prepaid insurance	1,758,750	-			
Rainbow Shuttle Service & Car Hire	-	668,750			
Total	<u>16,765,277</u>	<u>8,553,870</u>			
14. INVENTORIES					
Medicines	1,227,971	990,680			
Total	<u>1,227,971</u>	<u>990,680</u>			
15. INVESTMENT					
	<u>No. Of</u>	<u>Cost/</u>	<u>Value/</u>		
	<u>Share</u>	<u>Share</u>	<u>Share</u>		
CRDB Bank Limited Shares	77,325	150	115	8,892,375	11,792,063
				<u>8,892,375</u>	<u>11,792,063</u>
<p>During the year 77,325 shares of CRDB Bank Limited were bought at price of TZS 150 per shares. As at 31 December 2010 market value was TZS 115 (2009: TZS 152.5) per share.</p>					
16. BIOLOGICAL ASSETS					
Dairy Cattle					
2 Year					
1 dairy cattle (2009: 2 dairy cattles)				1,766,667	2,650,000
1.5 Year					
3 dairy cattle				1,115,000	1,115,000
Less than year					
1 bull				500,000	-
1 Donkey				180,000	-
Chicken layers				159,000	-
				<u>3,720,667</u>	<u>3,765,000</u>

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

17. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Motor Vehicle	Tools and Equipment	Furniture, fittings and Office Equipment	Working in Progress	Total
	TZS	TZS	TZS	TZS	TZS	TZS
COST						
At 1 January 2009	1,626,552,800	46,593,924	58,766,669	28,954,264	-	1,760,867,657
Add: Additions	109,606,580	28,451,220	-	-	-	138,057,800
As at 1 January 2010	1,736,159,380	75,045,144	58,766,669	28,954,264	-	1,898,925,457
Add: Additions	11,035,851	-	-	7,810,200	14,851,900	33,697,951
Less: Adjustment/Disposal	(11,820,000)	-	(338,187)	-	-	(12,158,187)
As at 31 December 2010	1,735,375,231	75,045,144	58,428,482	36,764,464	14,851,900	1,920,465,221
Made up of:						
Cost	1,281,880,871	75,045,144	58,428,482	36,764,464	14,851,900	1,466,970,861
Revaluation	453,494,360	-	-	-	-	453,494,360
	1,735,375,231	75,045,144	58,428,482	36,764,464	14,851,900	1,920,465,221
DEPRECIATION						
At 1 January 2009	56,799,556	22,454,918	12,042,999	5,397,691	-	96,695,164
Add: Charge for the year	33,517,743	17,298,567	7,345,833	3,619,283	-	61,781,426
As at 1 January 2010	90,317,299	39,753,485	19,388,832	9,016,974	-	158,476,590
Add: Charge for the year	34,853,161	12,228,547	7,075,283	4,811,801	-	58,968,792
As at 31 December 2010	125,170,460	51,982,032	26,464,115	13,828,775	-	217,445,382
NET BOOK VALUE						
As at 31 December 2010	1,610,204,771	23,063,112	31,964,367	22,935,689	14,851,900	1,703,019,839
As at 31 December 2009	1,645,842,081	35,291,659	39,377,837	19,937,290	-	1,740,448,867

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 TZS	2009 TZS
18. CREDITORS AND ACCRUALS		
Koru Freight Limited	1,749,043	1,749,043
Cargo Expedition (T) Limited	283,101	283,101
Internal Printers Limited	86,400	86,400
Precision Haulage Company Limited	13,000,000	13,000,000
Water Solutions Drilling Company Limited	-	2,031,000
Rombo Millers Company Limited	20,380,100	20,380,100
Tanzindia Assurance Company Limited	1,890,000	1,440,000
Travel Review (Tanzania) Limited	1,161,749	-
Wakulima Engineering Company Limited	-	209,000
National Social Security Fund	5,329,122	2,154,886
Total	<u><u>43,879,515</u></u>	<u><u>41,333,530</u></u>
19. DEFERRED CAPITAL GRANT		
Balance as at 1 January	1,772,848,418	1,716,524,844
Amount received during the year		
Dutch Foundation:		
Dutch foundation support	39,985,419	118,105,000
M.N.S. (Donation Funitures)	5,105,000	
Released to statement of financial performance		
Amortisation during the year	(58,968,792)	(61,781,426)
Offset against disposal assets	-	-
Total deferred capital grant received	<u><u>1,758,970,045</u></u>	<u><u>1,772,848,418</u></u>
20. RELATED PARTY DISCLOSURE		
The Cornel Ngaleku Children Centre is centre founded by Michael Ngaleku Shirima and his family. During the year, the following were the transactions:		
Cash contribution	<u><u>10,605,000</u></u>	<u><u>14,906,000</u></u>
Compensation to key management		
Short term benefits	<u><u>7,590,000</u></u>	<u><u>7,409,000</u></u>

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*) FOR THE YEAR ENDED 31 DECEMBER 2010

21. EMPLOYEES

The number of employees employed by Cornel Ngaleku Children Centre as at 31 December 2010 was 19 (2009: 19).

22. CURRENCY

The financial statements are presented in Tanzanian Shillings (TZS).

23. FINANCIAL RISK MANAGEMENT

The Centre's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Centre's financial performance. The Trustee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign-exchange risk, interest-rate risk, credit risk, and liquidity risk.

Liquidity risk

Centre does not face any liquidity risk as it has arrangements with Donor or Trustee to cover costs for the approved budget.

Foreign exchange risk

Foreign currency risk is managed at Centre level and monitored by the management. Funds are initially maintained in United State Dollars denominated bank account to minimize the risks and are then transferred to local currency periodically based on cash needs projections. There is no exposure to losses from foreign liabilities as the Centre attempt to settle their obligations promptly.

Interest-rate risk

The Centre does not borrow or invest its funds.

Credit risk

Potential concentration of credit risk consists principally of staff loans. The Centre has no significant concentration of credit risk which has not been adequately addressed

CORNEL NGALEKU CHILDREN CENTRE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*) FOR THE YEAR ENDED 31 DECEMBER 2010

24. LEGAL STATUS AND OWNERSHIP

The Centre is incorporated in Tanzania under the Trustees Incorporation Act of 1956 and domiciled in Tanzania.

25. CAPITAL COMMITMENT AND LITIGATION

Capital commitments

At 31 December 2010, the Centre has no contractual approved or unapproved commitments (2009: Nil)

Legal claim contingencies

There is no legal claim in favour or against the Congress as at year end.

26. EVENTS AFTER BALANCE SHEET DATE

There are no subsequent events that have occurred which should either to be disclosed or to be adjusted in the financial statement that could materially affect the financial statements.

27. COMPARATIVES

Where necessary, comparative figures have been reclassified to conform to the presentation in the current year.