

## 2011 ANNUAL REPORT



OUT OF LOVE FOR CHILDREN

## VISION

Establishment of facilities to care and bring up disadvantaged children in order that they may become self supporting and make a contribution to the society.

## 2. MISSION

To provide the best possible care and upbringing of orphans who have nobody else to look after them.

## 3. VALUES

We value the integrity and worth of each admitted child as a child of God and of the nation of Tanzania and the world.

## 4. MANAGEMENT

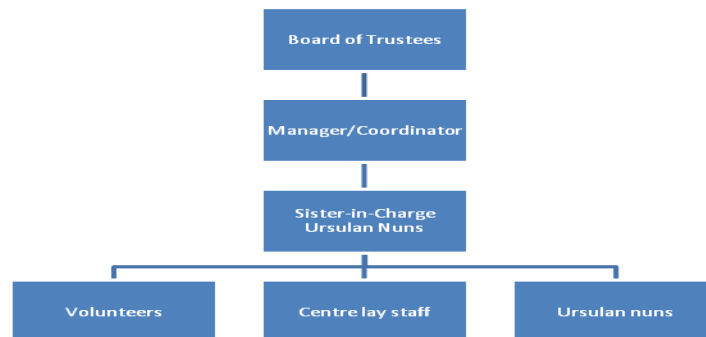
The Board of Trustees met on two occasions during the year to provide oversight of the Centre's affairs and to ensure it continues to operate in a legal and professional manner.

Sister Ritha Massawe replaced Sr. Catherina as Sister in Charge while Sr. Christina continued to be responsible for the children's welfare and the pastoral care of the nuns.

Mrs Frederica Gaskell continued in her role as the Centre's Manager/Coordinator.

The Dutch Foundation continued to provide much-valued support to old and new projects.

The Centre has continued its smooth operation and development under the current management structure (as in the organization chart below) with the valued support of the Ursulan nuns and lay staff.



## 5. NEW CHILDREN ADMITTED IN 2011

The addition of these 7 children brings the total number of children at the Centre to 69 for this year.

NAMES	ADMISSION DATE	BIRTH DATE	CIRCUMSTANCES
Daniel Vedastus	30/1/11	15/8/08	Mother abandoned him, father alive
Baraka Joseph	12/2/11	9/7/10	
Maria Joseph	12/2/11	13/12/09	
Gerald Lucas	30/9/11	18/5/10	Mother died, father alive
Christabella Marthin	15/2/11	12/8/10	Mother died, father alive
Emanuel Abiud	28/3/11	25/12/10	Mother died, father alive
Segolina Florence	28/10/11	25/10/11	Father died, mother alive

It is important to note that a father who is alive may not have contacts with the mother or relatives or the father may be unable to care for the baby but promised to take the child back at a certain age.

## 6. CHILDREN WHO LEFT THE CENTRE IN 2011

NAMES	ADMISSION DATE	BIRTH DATE	DATE LEFT	CIRCUMSTANCES
Alex Levis	15/7/2007	3/6/2009	April 2011	Fostered
Gaspar Joseph	9/2/2008	20/7/2005	10/12/2011	Reunited with father
Gerald Lucas	30/9/11	18/5/2010	7/12/2011	Reunited with father
Johnson Joseph	1/4/2010	14/2/2010	12/5/2011	died

## 7. CHILDREN AT PRIMARY SCHOOL FROM JANUARY 2011

CLASS	NO. OF CHILDREN	SCHOOL
Standard I	5	St. Pius X, Tarakea
Standard II	8	5 at St. Pius X; 3 at Mweka
Standard III	5	2 at St. Pius X; Tarakea; 3 at Mweka and 1 in Rombo-Kenya
TOTAL NUMBER	18	



During the school holiday breaks the children return to the Centre unless they are able to stay with relatives by prior arrangement; this re-connection is being encouraged so that eventually some children may be able to return permanently to their families.

Younger children attend nursery school classes at the Centre.

The school fees of all these children are paid by the Dutch Foundation.

The photo below shows some of the Centre's children greeting a visitor.



## 8. COOPERATION WITH THE GOVERNMENT AND THE LOCAL COMMUNITY

The Centre continued to enjoy close and cordial working relationships with the district authorities of Rombo District. The Social Welfare Officer responded well to the calls for assistance, advice and direction and participated fully in researching the status and records of children whether they qualified for admission or not.

His other duties included re-establishing contacts with the relatives of children where they are available to sensitize them to maintain a relationship with those children. To assist in these duties he was provided with a motorcycle owned by the Centre on a loan basis.

Discussions with the District Medical Officer concerning the possible use of the Centre's dispensary as a community clinic were discontinued due to the financial implications for the Centre. The Centre's medical professional was not replaced and urgent medical attention at the Centre was provided by one of the nuns, a qualified nurse.



## 9. PROJECTS

### 9.1 LIVESTOCK

Dairy cow management continued to present challenges during the year due to occasional health issues and inconsistent quality of feeds.

An additional 4 cows and 1 bull were purchased from local sources to add to the existing 3 cows.

The biogas plant was completed and began to supply gas to the kitchen.

Construction of 4 poultry houses enabled chickens (layers and local birds) and other poultry to be purchased, and egg production provided some income.



Pig housing was constructed and 10 pigs purchased which soon resulted in litters of piglets.



## 9.2 THE VEGETABLE GARDEN

The installation of the drip irrigation system has been a great success and enabled vegetable production to be increased while at the same time greatly reducing water usage.

## 9.3 THE WATER KIOSK FOR THE COMMUNITY

The water kiosk continued to be in demand by the local community from the end of the rainy season in March and the income from sales more than met the operating costs of the system.

## 10. VISITORS

The Centre held a very successful Open Day on 7 May 2011 at which a number of people made donations or pledges to support the operations of the Centre.

Other visitors were from various countries and included a number of Tanzanian officials and church representatives.

## 11. VOLUNTEERS.

NAME	NATIONALITY	PERIOD OF STAY
Karen Webster	Australia	1 month
Anju Lavina	India	1 month
Hannah Schurmann	Australia	2 months
Sophia Samila	Tanzania(University of Dar es Salaam)	2 months
Mwanaidi Said	"	2 months
Lucia Kiria	"	2 months
Nuru Lwaho	"	2 months
Eline van Baal	Netherlands	1.5 months
Olga Jansen	Netherlands	2 months
Mirte van Os	Netherlands	1 month
Katrin Kemmler	Germany	2 months
Richard Buch	Germany	2 months

It is expected that volunteers display genuine loving care for the children in cooperation with the nuns and according to the needs of the children. A period of at least 2 months stay at the Centre is desirable so that the volunteers can become accustomed to the requirements of the care of the children.



## 12. MAJOR DONORS

The Centre receives financial and in-kind support from a number of donors, all of whom cannot be listed here. However, during 2011 special mention can be given to the following donors:

I&M Bank (Tanzania) Ltd donated Tsh10 million.

I&M Bank (Kenya) donated US\$19,980.

General Electric Ltd and several of its staff, who provide aircraft leasing services to PrecisionAir Ltd, donated US\$14,975.

Mr Ian Johnson of Resource Revenue Management which also provide services to PrecisionAir Ltd, donated US\$2400.

Ernst and Young Tanzania Ltd, donated their audit services valued at Tsh8,855,000.

Mr Arun Lodhia, a member of the Board of Trustees, donated Tsh5 million.

The Dutch Foundation and Friends of CNCC continue to provide substantial and much-valued support. Tsh47,743,553 was donated as recurrent grant and Tsh14,649,618 as deferred capital grant.

The founder continues to support the Centre administratively and raises funds from friends to add to his own in the running of the Centre.

In total Tsh180,553,005 was donated inclusive of foreign currency donations converted to Tanzania shillings.

## 13. SUMMARY OF FINANCIAL PROJECTIONS FOR 2012.

The financial year is January to December. Money values below are denoted in both Tanzania Shillings and United States Dollars (using an expected average exchange rate of Tsh1,570 per US\$).

### 13.1 CHILDREN EXPENSES

Food, clothing, education and general living expenses, including some administration items, are directly related to the cost of caring for the children. In addition the nuns receive an allowance. The total amount increases annually according to the number of children and inflation.

The amount for the 2011 year was Tsh83,097,903 (US\$53,928). With allowance for inflation the amount for 2012 is projected as Tsh90m (US\$57,324) for 60 children. The direct cost per child for the year is thus US\$955.



## **13.2 GENERAL ADMINISTRATIVE EXPENSES**

Grouped in this category are wages, water, power, motor vehicles, generator, office, farm and other costs.

The amount for the year 2011 (excluding depreciation expenses) was Tsh74million (US\$47,198); for 2012, with cost savings, it is projected to be no more than that amount.

## **14. TRUSTEES' REPORT AND FINANCIAL STATEMENTS.**

Please see following pages for Trustees Report and Financial Statements



## **CORNEL NGALEKU CHILDREN CENTRE**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

#### **1. INTRODUCTION**

The Trustees submit their report and the audited financial statements for year ended 31 December 2011.

#### **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 organization 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 2011

#### 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 5 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, 19 and 20.

#### 5. TRUSTEES

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

- |                            |                      |
|----------------------------|----------------------|
| 1. Michael Ngaleku Shirima | Trustee and Chairman |
| 2. Vincent Ngaleku Shirima | Trustee              |
| 3. Mr. Aron 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, I & M Bank Kenya Limited, I & M Bank Tanzania Limited, GE, USA Group, Ernst & Young and Ursula Sisters-Poland as set out in note 3. Mr. Michael, the founder, has also contributed land, buildings and motor vehicles as disclosed in Note 17.



CORNEL NGALEKU CHILDREN CENTRE

TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011

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.

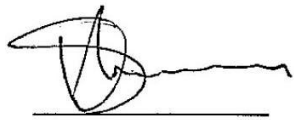
The proposal to appoint Ernst & Young as auditors of the Centre will be presented to the next Annual General Meeting.

By order of the board of Trustees

Michael N. Shirima Chairman  
Name Title

  
Signature

VINCENT SHIRIMA TRUSTEE  
Name Title

  
Signature

Date: 09.08.2012



## 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 2011, 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)**

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


**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 2011, 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: 10/8/ 2012

CORNEL NGALEKU CHILDREN CENTRE

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011

ASSETS	Notes	2011 TZS	2010 TZS
<b>Current assets</b>			
Cash and bank balances	12	109,571,957	119,197,001
Other receivables	13	8,549,026	16,765,277
Stock	14	7,430,330	1,227,971
		<u>125,551,313</u>	<u>137,190,249</u>
<b>Non current assets</b>			
Property, plant and equipment	17	1,722,715,026	1,703,019,839
Investments	15	-	8,892,375
Biological assets	16	6,787,334	3,720,667
		<u>1,729,502,360</u>	<u>1,715,632,881</u>
<b>Total assets</b>		<u>1,855,053,673</u>	<u>1,852,823,130</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Creditors and accruals	18	21,854,956	43,879,515
		<u>21,854,956</u>	<u>43,879,515</u>
<b>Non-current liabilities</b>			
Deferred capital grant	19	1,732,795,306	1,758,970,045
		<u>1,732,795,306</u>	<u>1,758,970,045</u>
<b>Total liabilities</b>		<u>1,754,650,261</u>	<u>1,802,849,560</u>
<b>Net assets</b>		<u>100,403,412</u>	<u>49,973,570</u>
<b>NET ASSETS/EQUITY</b>			
Reserves		-	(2,706,375)
Accumulated surplus		100,403,412	52,679,945
		<u>100,403,412</u>	<u>49,973,570</u>

These financial statements were approved by the Board of Trustee for issue on 09.08.2012 and were signed on their behalf by:

Michael N. Shirima  
Name

Chairman  
Title

[Signature]  
Signature

VINCENTI SHIRIMA  
Name

TRUSTEE  
Title

[Signature]  
Signature

