FORTUNE KIDS AND EDUCATION FOUNDATION

GOVERNANCE REPORT AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

January 2024

FORTUNE KIDS AND EDUCATION FOUNDATION

ORGANISATION INFORMATION FOR THE YEAR ENDED 31ST DECEMBER 2023

PRINCIPAL PLACE OF BUSINESS:	United Republic of Tanzania
REGISTERED OFFICE:	**FORTUNE KIDS AND EDUCATION FOUNDATION** Arumeru, P.O.BOX 309, Imbaseny ward , Arumeru District Arusha, Tanzania.
BANKERS	CRDB Bank
ORGANIZATION AUDITORS:	Business Consultancy and Associates Services Certified Public Accountants in Public Practice. P.O.BOX 2613 ARUSHA

FORTUNE KIDS AND EDUCATION FOUNDATION

GOVERNANCE REPORT FOR THE YEAR ENDED 31th DECEMBER 2023

1. INTRODUCTION

   The members of **FORTUNE KIDS AND EDUCATION** FOUNDATION submit this report and the audited Financial Statements for the year Ended 31th December 2023.

2. PREAMBLE

   Due to income poverty in our society which has led many children to lack proper education and accommodation we as a non-governmental organization intend to do our best to combat this challenge.

   Our society also does not have enough knowledge in agriculture which is their main occupation, so we will focus on providing sustainable and safe agricultural training to our people.

3. OPERATION LEGAL MANDETE

   FORTUNE KIDS AND EDUCATION FOUNDATION was registered in the United Republic of Tanzania certified as Non-government Organization Registration on 4th August 2017, with Registration number 00NGO/0009344 under the act of Non-Government Organization Act, 2002 made under section 12(2) of Act No 24 of 2002.

4. VISSION AND MISSION

   4.1 Vision Statement

   To attain an educated community that realize rights and the full potential of orphans, street children and delinquent children to ensure them with healthy life, giving them education and all basic need.

   4.2 Mission Statements

   To support and to maximize the brightness minds in our society concerning the necessity of taking care of orphans, street children and delinquent children by giving them best education, basic needs of life and make them feel as part of society.

5. OBJECTIVE OF THE ORGANISATION

   - To enhance and facilitate service provision for street children's and orphans who live in precarious condition.
   - To support children to acquire best education by providing them with all facilities.
   - To support and enable provision of education and assistance in all academic matters.
   - To enable socialization of children and exchange knowledge through games and various sport activities.

6. CORPORATE GOVERNANCE.

The Organization is governed by the founding members. The Members are responsible for governing and setting policies and direction of the areas, considering and monitoring Financial Decision considering significant financial matters, and reviewing the performance of Board's plans and budgets. The members also Responsible for insuring that a comprehensive system of International control policies and procedures is operative and for compliance with sound corporate Governance principle.

The Founding Members assessed the International Control system throughout the Financial year ended 31th December 2023 and is of the opinion that they met acceptable criteria.

The Members are requires to meet annually

7. COMPOSITION OF Members

The leaders of the Organization for the Year under review are:

SN	NAMES	POSITION
1	SAMSON MBISE	CHAIRPERSON
2	KIDANA LUPANDE	SECRETARY
3	PENDO NDOSI	TRESURER
4	JENIPHER SIRIEL	MEMBER
5	ELISHIWARIA NASSARY	MEMBER

8. STATEMENT OF DIRECTORS` RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Non-Governmental Organization Act of 2002 requires the directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Organization as Act the end of the financial year and the Organization Operating result for that year. It also requires directors to ensure the Organization keep proper Accounting records, which disclose with reasonable accuracy t any time the financial position of the Organization. They are also responsible for safeguarding the assets of the organization.

The directors accept the responsibilities for the annual Financial Statements, which have been prepared using Appropriate Accounting policies supported by reasonable and prudent judgment and estimates, in conformity in international Public Sector Accounting standards and in the manner required by the Non-Government Organization Act of 2002.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organization and organization's operating results.

The directors further accept 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. The directors are responsible for safeguarding the assert of the Organization and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

9. MANAGENMENT

The directors is the implementation arm of the Organization and is collectively responsible for the day to day running of the Organization activities.

10. AUDITORS

The auditors IPS-INSIGHT MANAGEMENT CONSULTANCY have expressed their willingness to continue in office for the next financial year.

.... 12/01/2024

Samson Mbise

Date

CHAIRPERSON

FORTUNE KIDS AND EDUCATION FOUNDATION

DECLARATION OF THE ACCOUNTANT FOR THE YEAR ENDED 31TH DECEMBER 2024

The National Board of Accountants (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of the Financial statements of the entity concerned. It is the duty of a professional Accountant to assist the Board of Directors/ Governing Body as under Directors Responsibility.

I CPA Joseph J Komanya Being the person who prepared/viewed the Financial statements of **FORTUNE KIDS AND EDUCATION FOUNDATION** here by acknowledge my Responsibility of ensuring financial statements for the year ended 31st December 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of **FORTUNE KIDS AND EDUCATION FOUNDATION** as on that date and that they have been prepared based on properly maintained financial records.

INDEPENDENT AUDITORS' REPORT

FORTUNE KIDS AND EDUCATION FOUNDATION

Opinion

We have audited the Financial Statements of **FORTUNE KIDS AND EDUCATION FOUNDATION** which comprises the Statement of Financial Position as at 31 December 2023, the Statement of Income, Statement of Cash flows and Notes to the Financial Statements including significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the partnership as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards for Micro entities.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the partnership in accordance 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of those charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

In preparing the financial statements, management is responsible for assessing the Firm'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 management either intends to liquidate the or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Firm's financial reporting process.

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 auditors' 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. Misstatement can arise from fraud or error and are considered material if, individually or in 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 judgement and maintain professional skepticism throughout the audit. We also:

- 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 option. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional 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 firm'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 firm's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements of, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Firm to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complies with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that we of most significance in the audit of the financial statements, of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:
As required by the Companies Act 12 2002 of Tanzania 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 port by the those charged with governance is consistent with the financial statements;
iii. In our opinion, proper books of account have been kept by the firm, so far as appears from our examination of those books; and
iv. The statement of income and statement of financial position are in agreement with the books of account.

JOSEPH J KOMANYA ACPA 3364
Business Consultancy Associates Services
Certified Public Accountants
P.O BOX 2618,
ARUSHA

FORTUNE KIDS AND EDUCATION FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

ASSETS		**2023**
	Notes	**TZS**
Non Current Asset		
Property, Plant and Equipment	**11**	2,250,000
TOTAL NON CURRENT		**2,250,000**
Current Assets		
Cash and cash equivalents	**10**	869,690
Total current Assets		**869,690**
TOTAL ASSETS		**3,119,690**
FUNDS AND LIABILITIES		
Funds		
Accumulated Funds		175,872
Capital Grant		175,872
Total		351,745
Liabilities		
Trade and Other Payable	**11**	2,767,946
Total		2,767,946
TOTAL EQUITY AND LIABILITIES		**3,119,691**

FORTUNE KIDS AND EDUCATION FOUNDATION
STATEMENT OF FINANCIAL PERFOMANCE FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023
		TZS
REVENUE		
GRANTS	**5**	25,482,069
Total Revenue		25,482,069
EXPENDITURE		
Direct Expenses	**6**	8,308,000
Administrative Expenses	**7**	5,300,000
Program/Project Expenses	**8**	11,340,000
Finance Expenditure	**9**	358,197
TOTAL		**25,306,197**
Surplus(Deficit)		175,872

FORTUNE KIDS AND EDUCATION FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023
CASH FLOWS FROM OPERATING ACTIVITIES	**TZS**
Cash receipts	25,482,069
Cash payment	25,306,197
Adjusted Surplus before W. Capital Changes	175,872
Working Capital changes	
(Increase)/Decrease in receivables	
Increase/(Decrease) in Accounts Payables	-
Net Cash Flow From Operating Activities	**175,872**
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of PPE	**-**
Net cash inflow/(outflow) from Investings	**-**
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital Grant	175,872
Amortization of Capital Grant	239,014
Net cash inflow/(outflow) from financing Activities	**414,886**
Net increase/(decrease) in cash & cash equivalents	**590,758**
Cash and cash equivalents at	
Beginning of the year	-
End of the year	**590,758**

FORTUNE KIDS AND EDUCATION FOUNDATION
STATEMENT OF FUND MOVEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Capital Grant TSHS	Accumulated Funds TSHS	TOTAL
As at 1st January, 2023			
Prior year adjustment	-	-	-
Surplus/(Deficit) for the period	175,872	175,872	351,745
As at 31st December, 2023	**175,872**	**175,872**	**351,745**

These Financial statements were approved by the board of directors on 12/01/2024 and signed on its behalf by:

....
CHAIRPERSON

FORTUNE KIDS AND EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
PROPERTY, PLANT AND EQUIPMENTS

	COMPUTERS AND ACCESSORIES	FURNITURES & FITTINGS	TOTAL
	TZS	TZS	TZS
	37.50%	12.50%	
COST			
At 1 January 2023			
	1,500,000	1,500,000	3,000,000
At 31 December 2023	**1,500,000**	**1,500,000**	**3,000,000**
Depreciation			
At 1 January 2023	-	-	-
Charge for the year	562,500	187,500	750,000
At 31 December 2023	**562,500**	**187,500**	**750,000**
NET BOOK VALUE			
At 31 December 2023	**937,500**	**1,312,500**	**2,250,000**

FORTUNE KIDS AND EDUCATION FOUNDATION

ACCOUNTING POLICIES AND EMPLANATORY NOTES

1. GENERAL INFORMATION
   FORTUNE KIDS AND EDUCATION FOUNDATION was registered in the United Republic of Tanzania certified as Non-government Organization Registration on 4th August 2017, with Registration number 00NGO/0009344 under the act of Non-Government Organization Act, 2002 made under section 12(2) of Act No 24 of 2002.

2. SIGNIFICANT ACCOUNTING POLICIES
   The principal accounting policies adopted in the preparation of these financial statements are set out below;
   2.1 Basis of preparation
   The Financial statements have been prepared under the historical cost convention. No other procedures have been adopted to reflect the impact on the financial statements of specific price changes in the general level of prices.
   2.1.1 Statement of compliance
   The financial statements of FORTUNE KIDS AND EDUCATION FOUNDATION have been prepared in accordance with International Public Sector Accounting Standard.
   2.2 Summary of significant accounting policies
   Revenue Recognition
   Revenue which are the Grants and Donations from Donors and is Recognized on accrual basis. Other Revenues are Recognized when they are received.
   Plant and Equipment
   Plant and Equipment is stated at cost less accumulated depreciation and accumulated impairment in value. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carry may not be recoverable.
   An item of plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognized. The Asset's residue values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year.
   Depreciation on Plant and Equipment is calculated on a straight line method at the following annual rates:-

	%
Furniture, Fittings and office equipment	12.5

   Foreign currency translations
   Transaction is currencies other than Tanzania Shillings are recorded at rates prevailing at the Transactions dates. Monetary assets and liabilities

that are denominated in foreign currencies are Translated into Tanzania Shillings at Rates prevailing at the balance sheet date. The resulting differences from convection and translation are dealt with in the income statement.

FORTUNE KIDS AND EDUCATION FOUNDATION

ACCOUNTING POLICIES AND EMPLANATORY NOTES *(continued)*

Trade and other receivables
Trade receivables, which generally have 30-90 days' terms are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet and cash flow statement comprise cash at banks and on hand.

Provisions
Provisions are made when the Company has a present obligation, as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Impairment of Assets
An assessment is made at each balance sheet date to determine whether there is objective evidence that an asset or a group of assets may be impaired. If such evidence exists, the estimated recoverable amount of That asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount.

Trade and other payables
Liabilities for the trade 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 Organization.

FORTUNE KIDS AND EDUCATION FOUNDATION

FORTUNE KIDS AND EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023
5	**GRANTS**	**TZS**
	Members contributions	2,302,000
	Donation from friends	22,941,055
	Amortization of Capital Grant	239,014
	Capital Grant Received	-
	Total	**25,482,069**

6	**DIRECT EXPENSES**	
	school fee	**6,088,000**
	School fee for sponsored kids	2,220,000
	Total	**8,308,000**

7	**ADMINISTRATION EXPENSES**	
	Rent	4,800,000
	wages and salaries	300,000
	Eletricty bill	200,000
	Depreciation charge	-
	Office general	-
	Total	**5,300,000**

8	**PROGRAM/PROJECT EXPENSES**	
	Food	5,000,000
	water bowesr supply	260,000
	clother and uniforms	3,200,000
	medical care	1,000,000
	cooking gas	580,000
	wages and salaries	400,000
	charcoal and firewoods	900,000
	Total	**11,340,000**

9	**FINANCE CHARGES**	
	Bank Charges	358,197
	TOTAL	**358,197**

10	**CASH AND CASH EQUIVALENTS**	**TZS**
	Cash in Hand	-
	CRDB Bank	869,690
		869,690

11	**TRADE AND OTHER PAYABLE**	
	Proffessional fee payable	2,767,946
	Material Supplies Payable	-
		2,767,946

3. CAPITAL COMMITMENTS AND CONTIGENT LIABILITIES
   As at 31st December 2023, the Organization had neither Capital commitments nor Contingent Liabilities

4. EMPLOYEES
   The Organization had no permanent employee during the year

5. CURRENCY
   These financial statements are expresses in Tanzania shillings (TZS).