

YOUTH ACTION VOLUNTEERS

**REPORT AND ACCOUNTS
AT 31 DECEMBER 2006**

**MEKONSULT
P. O BOX 14950
DAR ES SALAAM**

YOUTH ACTION VOLUNTEERS

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006

The trustees submit their report and the audited financial statements for the year ended 31 December 2006, which have been prepared in accordance with the International Financial Reporting Standards, as adopted by the National Board of Accountants and Auditors effective 1 July 2004.

1 BACKGROUND

Youth Action Volunteers ("YAV") is a voluntary non-governmental, non-political, non-religious and not for profit organization established and registered in Tanzania under the trustees' incorporation Ordinance (Cap. 375). It has been engaged in promoting the reproductive health status of young men and women since its registration. The primary target group is young men and women from the ages 10 to 24. The aim of YAV is to achieve healthy and responsible young men and women with the ability to participate in their own development process, in order to realize Tanzania's development vision 2025.

The Board of Trustees have delegated the day-to-day running of the programme's activities to a management team led by the Executive Director, who is assisted by Programme Officers and Accountant.

Vision statement

YAV envisions a Tanzania where healthy and responsible young men and women enjoy equitable, affordable and quality reproductive health services as their basic right.

Mission

YAV works to empower young men and women to smoothly interact with health service providers and policy makers for the purpose of realizing equitable, affordable and quality reproductive health services through enhancing active community engagement, transparency, and accountability within the District health systems.

2 FINANCIAL STATUS

Youth Action Volunteers' funding is derived from grants and donations from local and international donors. Summary of funds received during the year ended 31 December 2006 is presented on page 10. The use of these funds in the year ended 31 December 2006 and the state of financial position on that date is shown in the Statement of Income and Expenditure and Balance Sheet on pages 4 and 5 respectively.

3 BOARD OF TRUSTEES

The members of the Board of Trustees at the date of this report, all of whom have served throughout the year, are:

Name	Position	Nationality
Stephen Shayo	Member/Chairman	Tanzanian
Dr. Chilanga Asmani	Member	Tanzanian
Dr. Eva Matiko	Member	Tanzanian
Esther Jackson	Member/Volunteer representative	Tanzanian
Irenei Kiria	Member/Executive Director	Tanzanian
Jacqueline Matoro	Member/Secretary	Tanzanian
Prof. Mwesiga Baregu	Member	Tanzanian
Seif Mnyika	Member/Volunteer representative	Tanzanian

4 RESPONSIBILITIES OF THE BOARD OF TRUSTEES

It is the board of trustees' responsibility to prepare financial statements for each financial period that gives a true and fair view of the state of affairs of the trust as at the end of the financial period and of its surplus or deficit for that period.

The board of trustees confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2006. The board of trustees also confirm that the International Financial Reporting Standards have been followed and that the financial statements have been prepared on a going concern basis.

The board of trustees is also responsible for ensuring that proper accounting records are kept, for taking reasonable steps to safeguard the assets of the Programme and for preventing and detecting fraud.

5 AUDITORS

MEKONSULT were appointed auditors of the trust's financial statements for the year ended 31 December 2006.

These financial statements were approved at a meeting of the board of trustees held on 24 March 2007.



.....
Chairman of the Board of Trustees


.....
Executive Director

Date: 23-04-2007.....

MEKONSULT

Certified Public Accountants

2nd Floor, Harbour View Tower, Samora Avenue
P.O. Box 14950
Dar es Salaam, Tanzania

Telephone +255-22-2124383
Fax: +255-22-2124383
Email: info@mekonsult.co.tz
Website: www.mekonsult.co.tz

AUDITORS' REPORT

We have audited the accounting financial statements of Youth Action Volunteers which comprise the balance sheet as at 31 December 2006, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of trustees' Responsibility for the Financial Statements

The Youth Action Volunteers board of trustees is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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.

Auditor's 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 misstatement.

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 judgments, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial position of Youth Action Volunteers as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.


Certified Public Accountants
DAR ES SALAAM


Elifisaidie K Msuri
Partner

Date: 23/01/2007

YOUTH ACTION VOLUNTEERS

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2006**

	NOTE	2006 TZS	2005 TZS
INCOME			
Revenue grants	2	147,388,270	104,134,791
Release of grants	3	51,680,165	19,516,085
Other income	4	<u>3,211,675</u>	-
Total income		<u>202,280,110</u>	<u>123,650,876</u>
EXPENDITURE			
Programme development		4,967,200	-
Programme activities		44,993,000	69,903,493
Monitoring, Evaluation and Report		15,482,250	-
Staff Salaries and benefits		65,396,964	32,098,005
Programme Running Costs		15,787,001	16,994,944
HIV, Vulnerable and Property Rights – Widows and Orphans		40,747,375	-
Depreciation	5	<u>6,708,754</u>	<u>2,171,282</u>
Total expenditure		<u>194,082,544</u>	<u>121,167,724</u>
Surplus for the year		<u>8,197,566</u>	<u>2,483,152</u>

The Statement of Income and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 11.

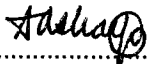
Auditors' report – page 3

YOUTH ACTION VOLUNTEERS

**BALANCE SHEET
AT 31 DECEMBER 2006**

	NOTE	2006 TZS	2005 TZS
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	16,488,898	11,198,972
Current assets			
Prepayments		5,799,509	-
Cash and bank balances	6	<u>59,331,120</u>	<u>12,355,307</u>
Total current assets		<u>65,130,629</u>	<u>12,355,307</u>
Total assets		<u>81,619,527</u>	<u>23,554,279</u>
EQUITY AND LIABILITIES			
Equity			
Contribution by founders		2,641,551	2,641,551
Accumulated surplus		<u>19,347,403</u>	<u>11,149,837</u>
Total equity		<u>21,988,954</u>	<u>13,791,388</u>
Current liabilities			
Deferred grants	3	59,630,573	6,422,891
Accounts payable		-	<u>3,340,000</u>
Total current liabilities		<u>59,630,573</u>	<u>9,762,891</u>
Total equity and liabilities		<u>81,619,527</u>	<u>23,554,279</u>

The Balance Sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 11.


.....
Chairman of the Board of Trustees

Date 23-04-2007


.....
Executive Director

Date 23-04-2007

YOUTH ACTION VOLUNTEERS

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Founders Contribution TZS	Accumulated Surplus TZS	Total TZS
At 1 January 2005	2,641,551	8,666,685	11,308,236
Surplus for the year	<u>-</u>	<u>2,483,152</u>	<u>2,483,152</u>
At 31 December 2005	2,641,551	11,149,837	13,791,388
Surplus for the year	<u>-</u>	<u>8,197,566</u>	<u>8,197,566</u>
At 31 December 2006	<u>2,641,551</u>	<u>19,347,403</u>	<u>21,988,954</u>

The Statement of movement in Reserves is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 11.

YOUTH ACTION VOLUNTEERS

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	TZS	TZS
Surplus for the year	8,197,566	2,483,152
Adjustments for non-cash items:		
Depreciation charge	<u>6,708,754</u>	<u>2,171,282</u>
Operating income before working capital changes	14,906,320	4,654,434
Changes in working capital		
Increase in prepayments	(5,799,509)	-
Increase in deferred income	53,207,682	6,422,891
Decrease in creditors and accruals	<u>(3,340,000)</u>	<u>(837,258)</u>
Net cash flows from operating activities	58,974,493	10,240,067
Cash flows from investing activities		
Acquisition of property, plant and equipment	<u>(11,998,680)</u>	<u>(8,440,400)</u>
Net cash utilized in investing activities	(11,998,680)	(8,440,400)
Net increase in cash and cash equivalents	46,975,813	1,799,667
Cash and cash equivalents at 1 January	<u>12,355,307</u>	<u>10,555,640</u>
Cash and cash equivalents at 31 December	<u>59,331,120</u>	<u>12,355,307</u>

The Cash Flow Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 11.

Auditors' report – page 3

YOUTH ACTION VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

1 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of Compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB). These are the Trust's first financial statements prepared under the IFRSs and IFRS 1 has been applied. No adjustments were found to be necessary on the opening reserves at 1 January 2006 in order to comply with IFRSs.

(b) Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention, and in accordance with International Financial Reporting Standards.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

(c) Grant income

Revenue grants

Revenue grants received from the donors to fund activities of the Programme are recognised in the Income & Expenditure statement upon receipt.

Deferred grants

Funds received to finance specific expenditure (in accordance with signed agreements) are recognised initially in the deferred grant account. Such deferred grants are released to the statement of income and expenditure to match the specific expenditure incurred in accordance with the agreements during the period.

(d) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses [see accounting policy (f)]. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

YOUTH ACTION VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006 (Continued)

Depreciation is charged to the statement of income and expenditure on a diminishing balance basis over the estimated useful lives of each part of an item of property, plant and equipment. The annual rates of depreciation in use are:

Office equipment	25.0%
Office furniture & fittings	12.5%
Computer equipments	37.5%
Motor vehicles	25.0%

Depreciation is charged on assets from the date put into use to the date of disposal.

(e) Prepayments and other receivables

Prepayments and other receivables are stated at their cost less impairment losses [see below (f)].

(f) Impairment

The carrying amounts of the Trust's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of income and expenditure.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(g) Creditors and other payables

Creditors and other payables are stated at cost.

2 REVENUE GRANTS

DONOR	2006	2005
	TZS	TZS
United Nations Development Programme	6,308,300	56,774,700
PACT Tanzania	-	6,089,095
MS Tanzania	29,900,000	40,522,996
Women Dignity Project	19,449,000	240,000
Concern Tanzania	-	508,000
Oxfam Novib	84,090,970	-
Policy Forum	7,640,000	-
Total grants received	<u>147,388,270</u>	<u>104,134,791</u>

YOUTH ACTION VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006 (Continued)

3 DEFERRED GRANTS

	2006 TZS	2005 TZS
At 1 January	6,422,891	-
Received	104,887,847	25,938,976
Released to income and expenditure	<u>(51,680,165)</u>	<u>(19,516,085)</u>
	<u>59,630,573</u>	<u>6,422,891</u>

Deferred grants analysis

DONOR	Balance at 1 January TZS	Received TZS	Spent TZS	Deferred grant TZS
Southern Africa AIDS Training Programme	6,422,891	13,342,847	11,080,219	8,685,519
Food and Agriculture Organization (FAO)	-	50,295,000	40,599,946	9,695,054
Embassy of Ireland	-	<u>41,250,000</u>	-	<u>41,250,000</u>
Total grants received	<u>6,422,891</u>	<u>104,887,847</u>	<u>51,680,165</u>	<u>59,630,573</u>

4 OTHER INCOME

Other income includes contribution from members of the Board of Trustees towards the power back up system of Tzs 3,140,000.

5 PROPERTY, PLANT AND EQUIPMENT

	Office equipment TZS	Computer and electrical equipment TZS	Office furniture TZS	Motor vehicles TZS	Total TZS
Cost					
At 1 January 2006	4,565,800	4,897,200	849,000	4,000,000	14,312,000
Additions	<u>6,440,000</u>	<u>4,813,680</u>	<u>745,000</u>	-	<u>11,998,680</u>
At 31 December 2006	<u>11,005,800</u>	<u>9,710,880</u>	<u>1,594,000</u>	<u>4,000,000</u>	<u>26,310,680</u>
Depreciation					
At 1 January 2006	764,637	1,095,273	253,118	1,000,000	3,113,028
Charge for the year	<u>2,565,236</u>	<u>3,225,897</u>	<u>167,621</u>	<u>750,000</u>	<u>6,708,754</u>
At 31 December 2006	<u>3,329,873</u>	<u>4,321,170</u>	<u>420,739</u>	<u>1,750,000</u>	<u>9,821,782</u>
31 December 2006	<u>7,675,927</u>	<u>5,389,710</u>	<u>1,173,261</u>	<u>2,250,000</u>	<u>16,488,898</u>
31 December 2005	<u>3,801,163</u>	<u>3,801,927</u>	<u>595,882</u>	<u>3,000,000</u>	<u>11,198,972</u>

YOUTH ACTION VOLUNTEERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006 (Continued)

6 BANK AND CASH BALANCES

Bank	2006 TZS	2005 TZS
NBC Samora Branch (Tzs account)	8,685,519	6,422,892
NBC Samora Branch (Tzs account)	105,427	1,118,767
CRDB Kijitonyama Branch (Tzs account)	40,820,120	4,813,648
CRDB Kijitonyama Branch (US account)	9,695,054	-
Petty cash (Tzs)	25,000	-
Total	<u>59,331,120</u>	<u>12,355,307</u>

7 IMPAIRMENT

There was no impairment loss recognized for the year ended 31 December 2006.

8 COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities as at 31 December 2006.

9 REGISTERED OFFICE

The organisation is registered in Tanzania under the trustees' incorporation Ordinance (Cap. 375). Its registered office is at Off Tunisia Road in Kinondoni house number 69, Dar es Salaam.

10 CURRENCY

These financial statements are presented in Tanzania shillings.

Auditors' report – page 3.

Appendix 1

Actual Expenditure against Budget

Description	Actual expenditure	Budget	Difference	Percentage difference	Remarks
Programme development	4,967,200	17,905,050	12,937,850	72%	Most of the activities were not implemented because the trust did not get enough funds from donors. However, the trust management is making effort to request various donors to finance the programme activities as per budget.
Programme activities	44,993,000	124,143,250	79,150,250	64%	Refer to above explanations
Monitoring, evaluation and reporting	15,482,250	17,140,250	1,658,000	10%	Refer to above explanations
Staff salaries and benefits	65,396,964	98,322,000	32,925,036	33%	Refer to above explanations
Programme running costs	15,787,001	13,186,400	(1,813,208)	-14%	
HIV, Vulnerable and property rights – widows and orphans	40,747,375	60,000,000	19,252,625	32%	The research project is still going on and is expected to be completed by end of April 2007.
Depreciation	6,708,754				
Total	194,082,544	330,696,950	144,110,553	44%	