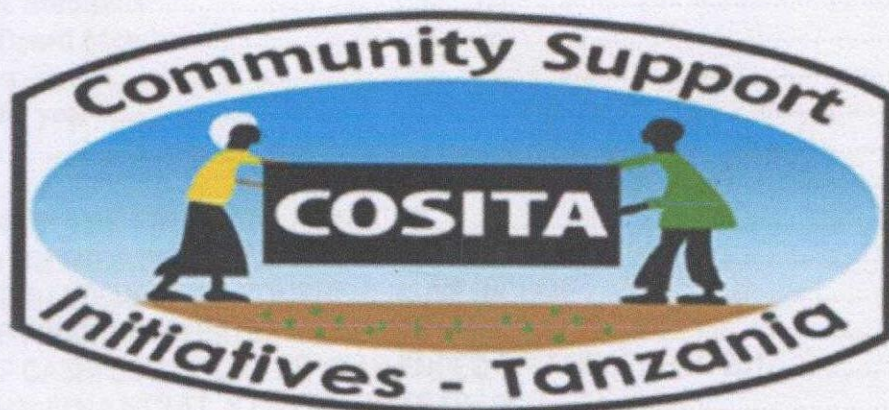


COMMUNITY SUPPORT INITIATIVES -TANZANIA



*"Fighting Poverty Building Economy/
Piga Vita Umaskini Jenga Uchumi"*

AUDITED FINANCIAL STATEMENTS FOR PERIOD

1ST JANUARY 2017 TO 31ST DECEMBER 2017

AE consulting services

Certified Public Accountants & Auditors

2nd Floor room 203, ACU Building, Uhuru road Street, P.O Box 14533, Arusha, Tanzania,
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REPORT OF THE INDEPENDENT AUDITORS **to the Shareholders/Members of COMMUNITY SUPPORT INITIATIVES-TANZANIA**

Opinion

We have audited the financial statements of COMMUNITY SUPPORT INITIATIVES-TANZANIA, which comprise the statement of financial position as at 31st December 2017, and the statement of comprehensive income, and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31st December, 2017 and of the results and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Company's Act, CAP 212.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibility under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the requirements that are relevant to our audit in Tanzania, and we have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITORS

to the Shareholders of COMMUNITY SUPPORT INITIATIVES-TANZANIA (Continued)

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements 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.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Company's members as a body corporate in accordance with the Tanzanian Companies Act, 2002 and for no other purposes. As required by the Tanzanian Companies Act, 2002, 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 purpose of our audit;
- (ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- (iii) The Directors' Report is consistent with the financial statements;
- (iv) Information specified by law regarding directors' remuneration and transactions with the Company is disclosed; and
- (v) The Company's balance sheet and income statement are in agreement with the books of account.



Peter Robert Urio

Partner, AE Consulting Services - Arusha Office

Certified Public Accountant



Date: 30th June 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST DECEMBER 2017

INCOME	Note	2017 (TSH)	2016 (TSH)
BABATI LAND RIGHT		-	20,430,100.00
MWANZO BORA NUTRITION PROJECT	2	261,196,472.00	215,224,267.00
SESAME III PROJECT	3	217,583,645.00	234,854,755.27
OWN CONTRIBUTION-CDS	4	9,976,673.00	17,729,502.05
COSITA MALENGO SUPPORT	5	1,788,000.00	615,000
Total Income		490,544,790.00	488,853,624.32
EXPENDITURE			
BABATI LAND RIGHT			23,627,600.00
MWANZO BORA PROJECT	2	255,677,115.00	215,077,302.32
SESAME III	3	224,426,066.00	242,876,062.78
COSITA MALENGO SUPPORT	4	604,700.00	500,000.00
COSITA OFFICE SUPPORT(CDS/CGS)-	5	10,499,079.54	25,834,390.00
Total Expenditure		491,206,960.54	507,915,355.10
Surplus(Deficit) for the year		-662,170.54	-19,061,730.78

 COSITA Accountant	 COSITA Executive Director	 COSITA Board Chairperson
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STATEMENT OF FINANCIAL POSITION AS AT 31ST DEC 2017

Non-current Asset	Notes	2017 TZS	2016 TZS
Fixed Asset	9	14,706,250.00	19,446,125.00
Total Fixed Asset		14,706,250.00	19,446,125.00
Current Assets			
Imprest	06	-	9,410,000.00
Receivables (Advances)	07	550,000.00	
Cash at Bank and in Hand	08	22,712,434.31	8,634,079.87
Total Current Asset		23,262,434.31	18,044,079.87
TOTAL ASSETS		37,968,684.31	37,490,204.87
Equity and Liabilities			
Fund Balance Assets	09	14,706,250.00	19,446,125.00
Current Liabilities			
Deferred Income	10	20,942,616.03	15,624,911.59
Sundry Creditors	11	2,319,818.28	2,419,168.28
Total current Liabilities		23,262,434.31	18,044,079.87
TOTAL EQUITY AND LIABILITIES		37,968,684.31	37,490,204.87

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COSITA Accountant

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COSITA Executive Director

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COSITA Board Chairperson



**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST DECEMBER
2017**

	2017	2,016
	TZS	TZS
Cash flow From operating Activities		-
Surplus(Deficit) for the year	(662,170.54)	(19,061,730.78)
Prior Year Adjustment	5,979,875.00	
Cash flow before changes in W/Capital	5,317,704.46	(19,061,730.78)
Changes in Working Capital		-
(increase)/Decrease in stocks		-
(increase)/Decrease in Debtors	8,860,000.00	(2,645,000.00)
(increase)/Decrease in Creditors	(99,350.00)	2,419,168.28
(increase)/Decrease in W/Capital	8,760,650.00	(225,831.72)
Cash flow From Operating Activities	14,078,354.46	(19,287,562.50)
Cash flow from investing Activities		-
Acquisition of fixed assets	-	-
Sale of asset	-	-
Total Cash flow From Investing Activities	-	-
Cash flow from Financing Activities		-
increase/(Decrease) in cash & cash equivalent	14,078,354.46	(19,287,562.50)
Add: Cash and Cash equivalent at year beginning	8,634,079.87	27,921,642.37
CASH AND CASH EQUIVALENT AT YEAR END	22,712,434.33	8,634,079.87