

POLICY FORUM

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

POLICY FORUM

DIRECTORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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ORGANIZATION INFORMATION

COUNTRY OF REGISTRATION	Tanzania
DATE OF REGISTRATION	11 July 2019
CERTIFICATE OF REGISTRATION NUMBER	ooNGO/R2/00015
PRINCIPAL PLACE OF OPERATION AND REGISTERED OFFICE	Plot 14 House No. 752 Sembeti Road Mikocheni B Dar es Salaam, Tanzania
BANKERS	Barclays Bank Tanzania Limited/ABSA Bank Limited Mikocheni Branch P.O Box 5137 Dar es Salaam, Tanzania.
AUDITORS	HLB MEKONSULT Certified Public Accountants 2 nd Floor, Acacia Estates 84 Kinondoni P.O. Box 20651. Dar es Salaam, Tanzania.

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LIST OF ABBREVIATIONS

DRM	Domestic Resource Mobilisation
DTA	Double Taxation Agreement
HIVOS	Humanistisch Instituut voor Ontwikkelingssamenwerking
HRMIS	Human Resource management information system
IASB	International Accounting Standards Board
IESBA	Internal Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
LG	Local Government
MIS	Management Information System
MP	Member of Parliament
NB	National Budget
NSSF	National Social Security Fund
OSHA	Occupational Health and Safety Act
PBO	Parliament Budgetary Office
PF	Policy Forum
SAM	Social Accountability Monitoring
SDG	Sustainable Development Goals
TNRF	Tanzania Natural Resources Forum
TZS	Tanzania Shillings
USD	United State Dollar
YDP	Year's Development Plan

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DIRECTORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. INTRODUCTION

The directors present their report on the financial statements of Policy Forum for the year ended 31 December 2019.

2. INCORPORATION

Policy Forum is a Non-Government organisation that was first incorporated in the United Republic of Tanzania on 12 September 2006 under the Companies Act 2002 as a Private Company limited by guarantee and not having a share capital. Prior to that, HakiElimu was requested by the then steering committee and agreed to act as a trustee of Policy Forum and this role ended on 31 December 2006. Following change of laws in July 2019 Policy Forum was reincorporated as Non-Government Organisation (NGO) under section 11(1) and 17(2) of act number 24 of 2002, obtaining certificate number 00NGO/R2/00015 on 11TH July 2019.

3. PRINCIPAL ACTIVITIES

The main objective of Policy Forum is to seek enhanced transparent and accountable governance and improved quality of life of the Tanzanian people. This includes effective protection of human rights through the strengthened ability of civil society to constructively influence key policy decisions relating to poverty reduction, equity, democratisation and other key policy issues.

In 2019 Policy Forum continued to work on current Strategic Plan 2017-2020 which started in the Financial Year 2017. Particularly in January 2019 Policy Forum started to use tailor made Management Information System which covers all aspects of Program implementation, Monitoring Evaluation and Learning, Financial Accounting and Human Resource Aspect. Not without challenges but Policy Forum Management Information System (PF MIS) has changed operations of Policy Forum in a positive way. With two assessment of the system done in 2018, Management has continued to improve by addressing all recommendation during the year.

4. VISION AND MISSION STATEMENT

Vision

Policy Forum envisions improved quality of life for the Tanzanian people.

Mission

To influence and monitor the implementation of policies for enhanced governance and accountable use of public resources.

5. REVIEW OF ACTIVITIES

The financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year. Full details of the financial position, results of operations and cash flows of the organisation are set out in these financial statements.

Further in the implementation of 2019 Annual Plan, Policy Forum has worked on several areas that are fulfilling the expected goals of the strategic plan, in the advocacy areas under tax justice advocacy, domestic resource mobilization, social accountability and budget. Policy Forum has continued to provide spaces and platforms and conduct trainings on analysis to its members. Other than PF MIS, Policy Forum has engaged in documenting success stories from results of current SP implementation.

6. FUNDING AND EXPENDITURE

The year 2019 marked the third year of the current four years strategic plan which ends in December 2020. Both 2019 Annual Plan and its 2019 Annual Budget was approved by the Board of Directors in January 2019. In 2019 funding as per new contracts of 2 years for both Open Society Institute of East Africa (OSIEA) and Swiss Development Corporation (SDC) started which contributed to the funding of 2019 budget. In 2020 new

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contract from EU programme in collaboration with PF member, Save the Children Tanzania will be expected to kick-off.

This financial year, among others Policy Forum received funds from DANIDA, Swiss Development Corporation (SDC) and OSIEA. Budget was additionally funded through membership fees and contributions from members such as Action Aid Tanzania. Funds unused as at the year ended 31 December 2019 are deferred for use in approved programs during the subsequent year or returned to donors for the completed contracts.

Expenditure is managed in accordance with approved budgets, with Policy Forum's member organizations and Secretariat being largely responsible for the implementation of program activities. The Board of Directors, the secretariat and convener of the two working groups reviewed and formulated the 2019 annual plan during the annual retreat held in Zanzibar in December 2018 and were endorsed by the Annual General Meeting of Policy Forum in April 2019.

7. SOLVENCY

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future activities and operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of activities. The ability of the organisation to continue as a going concern is dependent on several factors. The most significant of these is that the directors continue to procure funding for the ongoing activities of Policy Forum. The board of directors has reasonable expectation that Policy Forum has adequate resources to continue in operational existence for the foreseeable future.

8. DIRECTORATE

The directors of Policy Forum at the date of this report are as follows:

Name	Designation	Organization	Nationality
Japhet Makongo	Chairperson	SNV Tanzania	Tanzanian
Sophia Masuka	Vice Chairperson	TNRF	Tanzanian
Makumba Mwemezi	Board Member	HAKIELIMU	Tanzanian
Donati Senzia	Board Member	PELUM	Tanzanian
Angela Makota	Board Member	Save The Children	Tanzanian
Anna Henga	Board Member	LHRC	Tanzanian
Moses Kimaro	Board Member	Wajibu Institute	Tanzanian

The Secretary as at 31 December 2019 was Mr. Semkae Kilonzo

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report which may have a material impact on the financial statements.

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DIRECTORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. CORPORATE GOVERNANCE

The Board takes overall responsibility for organisation, including responsibility for identifying key risk areas, considering significant financial matters, and reviewing the performance of management, strategic plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles. The Board meets up to four times a year to review the organisation short and long-term strategy.

The Board delegates the day to day management of the organisation to the coordinator assisted by the managers. Members of the senior management team are invited to attend board meetings and facilitate the effective control of all the organisation operational activities. The organisation is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability.

The board of directors has delegated the day to day running of the organisation's activities to the secretariat led by the coordinator. Policy Forum is committed to the principles of effective corporate governance. The directors and secretariat also recognize the importance of integrity, transparency and accountability.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The board accepts final responsibility for the risk management and internal control systems of the organisation. It is the task of secretariat to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the organization's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Responsible behavior towards all stakeholders; and
- Operational sustainability under normal as well as adverse conditions through deployment of cloud-based integrated Management Information System

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal controls can provide absolute assurance against misstatement or losses, the organisation's systems are designed to provide the board with reasonable assurance that the procedures in place are operating effectively.

The secretariat and the board assessed the internal control systems throughout the financial year ended 31 December 2019 and are of the opinion that they met accepted criteria.

11. EMPLOYEES' WELFARE

The organisation's employment terms are reviewed annually to ensure that they meet statutory and market conditions.

Relationship between the board and secretariat

The relation between the board and secretariat continued to be cordial during the year. There were no unresolved complaints received by the board from the employees during the year.

Medical facilities

Policy Forum provides medical aid to the staff through private medical insurance scheme.

Training facilities

In order to improve the motivation of employees, Policy Forum provides training and holds regular meetings with employees to discuss workplace development.

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Disabled persons

It remains Policy Forum’s policy to accept disabled persons for employment for those vacancies that they are able to fill. The policies and procedures of the organisation provide for alternative measures to accommodate employees with disabilities.

12. GENDER PARITY

Policy Forum is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties

During the year ended 31 December 2019, PF had 11 employees, out of which 4 were female and 7 were male (2018:11 employees, out of which 4 were female and 7 were male).

13. AUDITORS

HLB MEKONSULT were re-appointed to audit Policy Forum financial statements for the year ended 31 December 2019 during 2019 Annual General Meeting and had expressed their willingness to continue in office and are eligible for re-appointment for 2020.

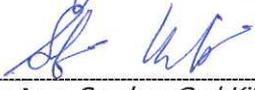
14. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of Policy Forum, as indicated below, were approved by Policy Forum board of directors on 14th April 2020 and are signed on its behalf by:



Chair Person, Japhet Makongo

Date: 14th April 2020



Coordinator, Semkae Gad Kilonzo

Date: 14th April 2020

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STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Directors accept responsibility for the financial Statements for the year ended 31 December 2019, which has been prepared in accordance with generally accepted accounting principles

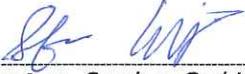
The management is of the opinion that the financial statements give a true and fair view of the state of financial activities and affairs of the organization as at 31 December 2019. The management further accepts responsibility of the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal control.

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as 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. The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been audited by the external auditors and their report is presented on pages 8 to 9.



Chair Person, Japhet Makongor

Date: 14th April 2020



Coordinator, Semkae Gad Kilonzo

Date: 14th April 2020

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DECLARATION OF THE HEAD OF FINANCE OF POLICY FORUM

The National Board of Accountants and Auditors (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 responsible for the preparation of financial statements of the organisation concerned.

It is the duty of a Professional Accountant to assist Policy Forum and Management to discharge the responsibility of preparing financial statements of an organisation showing true and fair view of the organisation position and performance in accordance with the International Financial Reporting Standards

Full legal responsibility for the preparation of financial statements rests with the directors as under Directors' Responsibility statement on the earlier page.

I **Gibons A. Mwabukusi**.being the Head of Finance of Policy Forum here by acknowledges my responsibility of ensuring that financial statements for the year ended 31 December 2019 have been prepared in compliance with International Financial Reporting Standards.

I thus confirm that the financial statements present a true and fair view position of Policy Forum on that date and that they have been prepared based on properly maintained financial records.

Name:	Gibons A. Mwabukusi
Signed:	
Position:	Finance & Administration Manager
NBAA Membership No:	ACPA 3703
Date:	14 th April 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLICY FORUM

TO THE MEMBERS OF POLICY FORUM

Opinion

We have audited the financial statements of Policy Forum which comprise the Statement of Financial Position as at 31 December 2019, the Statement of Financial Activities, Statement of Changes in Net assets and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 10 to 29.

In our opinion, the accompanying financial statements present a true and fair view of the financial position of Policy Forum as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities 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 organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Senior Management Team statements and the Head of Finance declaration, but does not include the financial statements and our audit reports thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Director's responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements that present a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation financial reporting process.

Auditor's Responsibility

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 is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 opinion. 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 organisation internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' 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 organisation ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation 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.

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.

Report on Other Legal and Regulatory Requirements

Based on our audit we report 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) in our opinion proper books of account have been kept by the organisation, so far as appears from our examination of those books; and
- iii) the organisation statement of financial position and statement of financial activities are in agreement with the books of account.

Yours faithfully



CPA, Elinisaidie K Msuri – ACPA 814
For and On behalf of HLB MEKONSULT
Certified Public Accountants
Dar es Salaam

Date: 14/09/2020



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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	2019 TZS'000	2018 TZS'000
INCOME			
Grants and contributions	3	2,482,635	2,249,339
Total Income		2,482,635	2,249,339
EXPENDITURE			
Operating expenses	4	2,482,635	2,249,339
Total Expenditure		2,482,635	2,249,339
Surplus/(Deficit) for the year		-	-

The Statement of Financial Activities is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 29

Report of the Auditors – page 8 and 9

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	NOTE	2019 TZS'000	2018 TZS'000
ASSETS			
Non-current Assets			
Property and Equipment	5	95,253	100,295
		95,253	100,295
Current Assets			
Receivables	6	181,838	10,464
Cash and Cash Equivalents	7	789,477	1,127,789
		971,315	1,138,253
Total Assets		1,066,568	1,238,548
LIABILITIES			
Non-current Liabilities			
Deferred capital grant	8	95,252	100,294
		95,252	100,294
Current Liabilities			
Payables	9	922,925	1,049,162
Deferred Revenue Grants	10	48,391	89,092
		971,316	1,138,254
Total Liabilities		1,066,568	1,238,548
Net Asset		-	

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 29.

Report of the Auditors – page 8 and 9

Chair Person, *Japhet Makongo*

Date: 14th April 2020

Coordinator, *Semkae Gad Kilonzo*

Date: 14th April 2020

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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2019

	Accumulated Funds TZS'000	Total TZS'000
Balance as at 1 January 2019	-	-
Surplus/(deficit) for the year	-	-
Balance as at 31 December 2019	<u>-</u>	<u>-</u>
Balance at 1 January 2018	(171,933)	(171,933)
Surplus/(deficit) for the year	-	-
Prior year adjustment	171,933	171,933
Balance at 31 December 2018	<u>-</u>	<u>-</u>

The Statement of Changes in Net Asset is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 29.

Report of the Auditors – page 8 and 9

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	2019 TZS'000	2018 TZS'000
CASH FLOW FROM OPERATING ACTIVITIES			
Net Surplus/ (Deficit) for the year		-	-
Adjustments for non-cash expenses			
Depreciation		35,671	24,621
Amortization		(35,671)	(24,621)
Prior Year Adjustment		-	171,933
Changes in Working Capital			
Changes in receivables		(171,373)	8,750
Changes in payables & provisions		(126,239)	(37,528)
Changes in deferred revenue grant		(40,700)	67,905
Net Cash Flow From Operating Activities		(338,312)	211,061
Cash Flows from Investing Activities			
Purchase of property and equipment		(30,629)	(87,358)
Net Cash Flow from Investing Activities		(30,629)	(87,358)
CASH FLOW FROM FINANCING ACTIVITIES			
Movement in deferred capital grants		30,629	87,358
Net Cash Flow from Financing Activities		30,369	87,358
Net Increase in cash and cash equivalents		(338,312)	211,061
Cash and Bank at 1 January		1,127,789	916,728
CASH AND BANK AT THE END OF THE YEAR		789,477	1,127,789

The Statement of Cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 29.

Report of the Auditors – page 8 and 9

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Policy Forum used to be a private limited company incorporated and domiciled in the United Republic of Tanzania. Following change of laws in July 2019 Policy Forum was reincorporated as Non-Government Organisation (NGO) under section 11(1) and 17(2) of act number 24 of 2002, obtaining certificate number 00NGO/R2/00015 on 11TH July 2019.

The financial statements for the year ended 31 December 2019 were authorised for issue in accordance with resolution of the directors on the date of signature of these financial statements.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the organisation's financial statements.

2.1. Basis of Preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 2002. The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings (TZS) rounded to the nearest thousand, which is the organisation functional currency. The organisation pursues charitable objectives and its constitution requires that the income and property of the company shall be applied solely towards promotion of all objects of the organisation as set forth in its Constitution and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, gift, division, bonus or otherwise by way of profit to the members of the organisation. Presently, Policy Forum largely relies on grants to pursue its activities. These accounting policies are consistent with the previous period.

2.2. Property and equipment

Property, plant and equipment are tangible assets which organization holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognized as an asset when it is probable that future economic benefits associated with the item will flow to the organization and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalization of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalized if it is probable that future economic benefits associated with the expenditure will flow to the organization and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organization. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognized.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Percentage
Furniture and fixtures	Straight line	12.5%
Motor vehicle	Straight line	20%
IT equipment	Straight line	33.3%
Office equipment	Straight line	25%
Generator	Straight line	25%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognized in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognized immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognized.

2.3. Financial instruments

Initial recognition and measurement

Financial instruments are recognized initially when the organization becomes a party to the contractual provisions of the instruments.

Policy Forum classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

2.4. Financial instruments (continued)

Receivables

Receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss within operating expenses. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Receivables are classified as loans and receivables.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Payables

Payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

2.5. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. The difference between the amounts recognized as an expense and the contractual payments are recognized as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

2.6. Impairment of assets

The organization assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Policy Forum also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognized immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

Policy Forum assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization other than goodwill is recognized immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.7. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognized as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the organization obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

2.8. Provisions and contingencies

Provisions are recognized when:

- the organization has a present obligation as a result of a past event;
- 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 of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the organization settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognized for future operating losses.

If an organization has a contract that is onerous, the present obligation under the contract shall be recognized and measured as a provision.

A constructive obligation to restructure arises only when an organization:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services
 - the expenditures that will be undertaken; and

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognized in business combinations that are recognized separately are subsequently measured at the higher of:

- the amount that would be recognized as a provision; and
- The amount initially recognized less cumulative amortization.

Contingent assets and contingent liabilities are not recognized. Contingencies are disclosed in note 17.

2.9. Grants and contributions

Grants revenue is recognized once the facility is approved by the donor and all conditions for receiving them have been fulfilled. The revenue received is recorded as deferred revenue in the liability section of the statement of financial position. The deferred revenue is released and recognized in the statement of profit or loss and other comprehensive income over the period necessary to match them with the related expenditure.

Member's contributions are accounted for in the year in which they are received.

Income from other sources is recognized when received.

Capital grants

Capital grants represent the grant income received for purposes of capital expenditure. These are included in noncurrent liabilities and released and recognized in the statement of profit or loss and other comprehensive income on a straight line basis over the expected useful lives of the related assets.

2.10. Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognized to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognized to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Tanzanian Shillings by applying to the foreign currency amount the exchange rate between the Tanzanian Shilling and the foreign currency at the date of the cash flow.

2.11. Improvements to IFRSs

a) Standards that became effective during the period under review

New and revised IFRSs mandatorily effective at the end of the reporting period with no material effect on the reported amounts and disclosures in the current or prior year

Name of standard	Details of the changes
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to: clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment <ul style="list-style-type: none">• introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated• add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. Applicable to annual periods beginning on or after 1 January 2018

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

IAS 1 Disclosure Initiative (Amendments to IAS 1)	<p>The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, the existing IAS 1 requirements. The amendments clarify:</p> <ul style="list-style-type: none"> • The materiality requirements in IAS 1 • That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated • That entities have flexibility as to the order in which they present the notes to financial statements • That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. <p>Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.</p> <p>Effective for annual periods beginning on or after 1 January 2018.</p>
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b) Standards and interpretations in issue but not yet effective

At the reporting date, the following new and/or revised accounting standards and interpretations were in issue but not yet effective and therefore have not been applied in these financial statements. Policy Forum has not yet assessed the impact of these changes on their financial statements when they become effective:

Name of standard	Changes made to the standard
IAS 7 Disclosure Initiative – Amendments to IAS 7	<p>The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an organisation's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).</p> <p>Effective for annual periods beginning on or after 1 January 2018.</p>
IFRS 15 Revenue from Contracts with Customers	<p>IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.</p> <p>The five steps in the model are as follows:</p> <ul style="list-style-type: none"> • Identify the contract with the customer • Identify the performance obligations in the contract • Determine the transaction price • Allocate the transaction price to the performance obligations in the contracts <p>Recognise revenue when (or as) the organisation satisfies a Performance obligation. Applicable to an organisation's first annual IFRS financial statements for a period beginning on or after 1 January 2018</p>

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

IFRS 9 Financial Instruments	<p>A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing <u>IAS 39</u> Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas: Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an organisation's own credit risk. Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.</p> <p>Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.</p> <p>Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. Effective for annual period beginning on or after 1 January 2018.</p>
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	<p>The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an organisation initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the organisation must determine a date of the transactions for each payment or receipt of advance consideration. Effective for annual periods beginning on or after 1 January 2018.</p>

POLICY FORUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)**

IFRS 16 Leases	<p>The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to re measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.</p> <p>Effective for annual periods beginning on or after 1 January 2019</p>
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**3. GRANTS AND CONTRIBUTIONS
2019**

	Deferred Revenue Grant Released	Grant Received for Current Year	Transfer to Capital Grants	Released to Expenses	Grant (Receivable)/ Payable
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Wellspring Philanthropic Fund	18,853	705,446	7,482	716,233	583
Swiss Development Corp. (Donor)	-	685,950	7,262	678,688	-
DANIDA	15,204	832,836	7,262	840,777	-
Foundation for Open Society Institute (FOSI)	-	170,891		157,898	12,993
Tax Justice Network Africa	-	-	-	-	-
Capital Grant Released	-	-	-	35,671	-
Released Grant (Donors/Partners)	34,057	2,395,122	22,007	2,429,267	13,575
PF Member's Project Contributions	-	49,289	-	37,557	11,732
Other Operating income	-	15,811	-	15,811	-
Total	34,057	2,460,222	22,007	2,482,635	25,307

	Differed Rev, Grant Released	Grant Received for Current Year	Transfer to Capital Grants	Released to Expenses	Grant Receivable/ Payable
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Wellspring Philanthropic Fund		669,000	27,081	623,067	18,853
Swiss Development Corp. (Donor)	-	935,212	38,437	870,016	26,759
DANIDA	-	533,907	21,839	496,864	15,204

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

Foundation for Open Society Institute (FOSI)	-	79,465	-	71,738	7,727
Tax Justice Network Africa	-	70,323	-	70,323	-
Capital Grant Released	-	-	-	24,621	-
Released Grant Revenues (Donors/Partners)	-	2,287,907	87,357	2,156,628	68,542
PF Member's Project Contributions	-	70,849	-	70,849	-
Other Operating income	-	21,861	-	21,861	-
Total	-	2,380,616	87,357	2,249,339	68,542

4. OPERATING EXPENDITURE

	2019	2018
	TZS'000	TZS'000
Programme Expenses		
PF members are equipped with knowledge and skills to analyze policies		
Train PF members on policy, budget analysis & advocacy skills	42,930	22,41
Produce Policy Briefs on SDGs, DRM, 5YDP, Tax Justice, Gender	35,014	20,278
Produce Position papers on NB, Tax & Local Government	36,646	27,654
Prepare and disseminate infopack	5,274	10,321
Analytical support to PF Working Groups	3,045	3,963
Programme Payroll & Other expense for Output 1.1	51,518	42,838
Subtotal	174,427	127,468
Improved Policy Forum members' learning for effective monitoring of public budget and policy processes		
Conduct Quarterly meetings with PF members	43,911	30,037
Organize Zonal Reflection meetings including on follow-up on SAM initiative /Agreement	41,013	32,877
Organize Annual Learning Forum	54,493	41,308
Produce governance study		23,128
Local and International Networking	43,916	15,210
Programme staffs' payroll costs & Other expenses for Output 1.2	148,898	118,473
Subtotal	332,231	261,033
Policy Forum members have access to tools and platforms to engage on policy issues and the public		
Produce simplified versions of relevant policies and guidelines through working group	52,035	88,250
iring of television spot, radio programmes, documentary to inform public on current policies and legislative issues. relating to public resources.	204,673	232,399
Conduct monthly breakfast debates on public policy issues	58,998	54,810
Programme Payroll expense for Output 1.3	163,076	164,658
Subtotal	478,782	540,117
Improved public access to budget, extractives revenue and tax information		
Disseminate Open Budget Survey findings, website and other electronic channels		10,867

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

	2019	2018
	TZS'000	TZS'000
Share findings on public expenditure and budget with the government and MPs	15,790	9,883
Conduct campaign on open extractive contracts	13,648	15,686
Conduct meetings with the government to provide inputs on the simplified versions of citizens budget and citizens audit report	9,781	8,458
Organize Extractive Industries Conference (Indaba)	24,810	27,064
Engage MPs on the tax and revenues from the extractives findings	15,949	14,577
Programme staffs' payroll costs & other expenses for Output 2.1	46,590	45,515
Subtotal	126,568	132,050
Policy Forum's domestic resource mobilization agenda integrated by state		
Develop a report on tax in Tanzania for advocacy	27,846	20,863
Policy briefs and press releases shared in time to influence government decisions	16,426	20,447
Advocate for the review of DTAs & Equitable distribution of taxing rights.	-	8,792
Advocate for the introduction of fiscal transparency through tax expenditure policies.	11,376	9,724
Engage MPs on the tax and revenues from the extractive's findings	-	10,300
Support regional efforts for tax harmonization to address race to the bottom	11,596	100
Advocate for the domestication and implementation of the African Mining Vision mapping study recommendations at regional and national levels	27,757	20,931
Generate country specific informal tax knowledge in Tanzania	-	15,925
Stop the Bleeding Campaign follow up event with Tanzania MPs	11,389	-
Programme staffs' payroll costs & Other expenses for Output 2.2	76,924	64,257
Subtotal	183,314	171,339
Government are more accountable in the use of public resources including gender budgeting and policies		
Learning sessions with Parliament committee clerks including PBO staff on responsive & gender budget and policies	43,482	31,670
Analyze the national budget with a responsive and gender lens	14,748	6,830
Enhanced skills and knowledge of councilors on responsive and gender sensitive budgets	59,366	63,718
Programme staffs' payroll costs & Other expenses for Output 2.3	44,491	53,547
Subtotal	162,086	155,765
Monitoring, Evaluation and Learning system strengthened		
Conduct baseline Survey	-	-

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

	2019	2018
	TZS'000	TZS'000
Develop a participatory performance monitoring and Learning Strategy	-	25,590
Train PF members on data collection, analysis and reporting at organizational and network levels	-	22,653
Train staff (and selected members) on participatory monitoring and assessment	-	12,607
Document and disseminate lesson learned	74,018	4,356
Conduct semi and annual reviews and develop Operational Plans with Staff, Board members and conveners	68,862	59,454
Community radio programs evaluation	28,975	29,680
Organize mid-term and End evaluation of the Strategic Plan	52,864	-
Systematic documentation of advocacy experience	9,684	6,289
Programme staffs' payroll costs & Other expenses for Output 3.1	110,861	125,836
Subtotal	345,264	286,465
Policy Forum governance strengthened		
Conduct Annual General Meeting	45,294	29,397
Organize Board Meetings	4,256	4,831
Facilitate conduction of an Internal Audit function and Annual External Audit Exercise	33,385	26,786
Board Members Orientations and Board Performance Review for effective policy decision making and board governance	8,025	10,642
Programme staffs' payroll costs & Other expenses for Output 3.2	38,816	32,798
Subtotal	129,776	104,454
Secretariat effectively and efficiently manages resources		
Developing of HRMIS, Training & Career Enhancement plan, gender policy and Review of Staff Performance, Administration Policy and Financial Manual	2,864	5,084
Establish an Integrated Management Information System (MIS)	47,756	9,900
Develop an occupation health and safety (OSHA) policy	100	3,069
Programme staffs' payroll costs & Other expenses for Output 3.3	20,468	18,072
Subtotal	71,188	36,125
Financial availability and sustainability enhanced		
Organize annual joint donor meetings	2,716	4,065
Programme staffs' payroll costs & Other expenses for Output 3.4	4,234	3,347
Subtotal	6,950	7,412
Total		
Secretariat Expenses		
Salaries/Benefits for Admin Staff and Organization/Staff Development		
Finance & Administration manager	108,570	104,130
Admin Assistant	49,711	46,895
Logistics Officer	42,026	37,847
Organization development & employee career support	18,210	11,762

POLICY FORUM**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)**

	2019	2018
	TZS'000	TZS'000
Subtotal	218,516	200,634
Property & Equipment Acquisitions		
Computer, laptops, UPS & Accessories	500	269
Furnitures, fixtures	228	170
Equipment Tools	50	-
Motor vehicle	-	472
Software and Upgrades	1,377	1,074
Subtotal	2,154	1,985
Running Costs		
Office Premises Renting, Maintenance and Security	98,759	102,893
PPE , MIS, Apps, Website Subscription and Maintenance	22,245	11,067
Office Utilities	25,260	24,063
Data, Voice, postal communication and Data software & security	16,883	23,403
Office Stationeries & Supplies	20,293	13,019
Transportation	18,357	13,076
Legal, Insurance, Finance & Administrative Fees	13,910	12,349
Subtotal	1215,707	199,870
Depreciation expense for the year	35,671	24,621
Grand total	2,482,635	2,249,339

POLICY FORUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)**

5. PROPERTY AND EQUIPMENT

Cost:	Furniture & Fixtures	Motor Vehicle	IT Equipment	Office Equipment	Generator	Land	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
As at 1 January 2019	14,479	163,486	87,384	31,860	23,700	-	320,910
Additions	4,200	-	4,437	13,370	-	8,622	30,629
As at 31 December 2019	18,679	163,486	91,821	45,230	23,700	8,622	351,539
Accumulated Depreciation							
Balance as 1 January 2019	13,177	97,229	61,307	25,202	23,700	-	220,615
Charge for the year	1,042	13,657	15,236	5,736	-	-	35,671
Balance as 31 December 2019	14,219	110,886	76,543	30,938	23,700		256,286
NET BOOK VALUE							
As at 31 December 2019	4,460	52,601	15,278	14,292	-	8,622	95,252
As at 31 December 2018	1,302	66,257	26,077	6,658	-	-	100,295

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

6. RECEIVABLES

	2019	2018
	TZS'000	TZS'000
Funds Receivable	151,994	1,295
Prepayments		6,096
Salary advance	11,100	-
Staff Imprest	18,744	3,074
Total	181,838	10,465

7. CASH AND CASH EQUIVALENTS

Barclays Bank-USD	759,857	1,096,761
Barclays Bank Tanzania Ltd-TZS	29,299	30,619
Petty Cash	321	409
Total	789,477	1,127,789

8. DEFERRED CAPITAL GRANTS

Opening balances	100,294	37,557
Additions during the year	30,629	87,358
Amortization of deferred capital grant	(35,671)	(24,621)
Total	95,252	100,294

9. PAYABLES

Accrued expenses	186,303	135,016
Grants received in advance	678,973	854,591
Payroll liabilities	10	310
Sundry Accruals	57,416	1,585
HakiRasilimali	-	56,384
Staff Imprest Payable	223	1,276
Total	922,925	1,049,162

10. DEFERRED REVENUE GRANT

Balance as at 1 January 2019	89,092	13,460
Grants and contributions for the period	2,460,222	2,380,616
Refund to donor (SDC)	(26,759)	-
Allocation to capital grant	(8,622)	(87,358)
Grant released to Income (<i>Note 3</i>)	(2,446,965)	(2,224,717)
Membership fee deferment	3,430	7,090
Total	48,391	89,092

POLICY FORUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)

11. COMMITMENTS AND CONTINGENCIES

Capital commitments

At 31 December 2019, policy forum had no contractual approved or unapproved commitments

Contingencies

The directors are of the opinion that there are no contingent liabilities as at 31 December 2019

12. RELATED PARTY TRANSACTIONS

Unless otherwise disclosed, all transactions with related parties are on an arm's length basis at market related prices. The organisation has a related party relationship with its executive management.

Transactions with key management personnel

Key management personnel compensations are included under staff costs. None of the key management personnel had or has any significant influence with any organisation with whom the organisation has had significant transactions with.

13. COMPARATIVE FIGURES

Previous year's figures have been regrouped whenever necessary in order to make them comparable with the current year figures.