AFRICA PHILANTHROPY NETWORK (APN)

ANNUAL REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2020

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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ORGANIZATION INFORMATION

Principal place of business	Samsa Real Estate, Plot No.84/36 Rashid Kawawa Rd P.O Box 10011 Dar es Salaam Tanzania
Principal bankers	CRDB PLC PO Box 34022 Dar es Salaam Tanzania
Auditors	Adolph Associates Certified Public Accountants Posta House, 5th Floor Ghana, Ohio Street P.O Box 19080, Dar es Salaam, Tanzania

AFRICA PHILANTHROPY NETWORK (APN)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors of Africa Philanthropy Network (APN) submit their report together with the audited financial statements for the year ended 31 December 2020, which disclose the state of affairs of Africa Philanthropy Network (APN) (also referred to as "the Organization").

1. INCORPORATION

Africa Philanthropy Network (APN) was registered as a non-governmental organization on 19th July 2019 with registration number I-NGO/R2/00023.

2. PRINCIPAL ACTIVITIES

The principal activity of Africa Philanthropy Network (APN) is to become a go platform for voice and Action for Africa Philanthropy.

Principle Activities in 2020 includes

Peer Learning
Enabling Environment
Institutional Strengthening

3. RESULTS FOR THE YEAR

The financial results for the year are set out on page 10 of the financial statements.

4. CORPORATE GOVERNANCE

The Board consists of nine directors headed by Board Chairperson. The Board takes overall responsibility for the Organization, including the responsibility for identifying key risk areas, considering and monitoring decisions, considering significant financial matters and reviewing the performance of management plans and budgets. The Board of Directors is also responsible for ensuring that comprehensive system of internal control policies and procedures is operative and for a with corporate governance principles.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

5. COMPOSITION OF BOARD OF DIRECTORS

The directors of Africa Philanthropy Network (APN) at the date of this report, all of whom have served since 1 January 2020 except otherwise stated are:

Name	Position	Qualification	Nationality	Remarks
Francis Kiwanga	Chairperson	Advocate	Tanzania	June 2019
Jenny Hodgson	Secretary	Development	South Africa	June 2019
Ebrima Sall	Treasurer	Development	Senegal	June 2019
Theo Sowa	Member	Development	Ghana	June 2019
Janet Mwiyoo	Member	Development	Kenya	June 2019
Evans Okinyi	Member	Development	Kenya	June 2019
Ndanatsei Tawamba	Member	Development	Zimbabwe	June 2019
Masego Madzwamuse	Member	Development	South Africa	June 2019
Stigmata Tenga	Executive Director	Development	Tanzania	May 2017

6. FUTURE DEVELOPMENT PLANS

We are committed to demonstrating how to improve learning outcomes and keeping communities and leaders focused on learning through assessment, research, innovations, partnerships and advocacy.

7. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control system of the Organization. It is the task of management 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 safeguard of the Organization's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse condition; and
- Responsible behaviors towards all stakeholders.

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 control can provide absolute assurance against misstatement or losses, the Organization system is designed to provide the Board with reasonable assurance.

that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2020 and is of the opinion that they met accepted criteria.

8. SOLVENCY

The Board of Directors confirms that applicable International Financial Reporting Standards (IFRS) have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that the Organization has adequate resources to continue in operational existence for the foreseeable future.

9. ADMINISTRATION POLICIES AND FINANCIAL REGULATIONS

Africa Philanthropy Network (APN) has formal Financial and Administration regulations approved by the Board of Directors of Africa Philanthropy Network (APN). These provide a solid basis for accountability and high standards within the Organization.

Training

Africa Philanthropy Network (APN) organizes regular learning sessions aimed at enhancing staff skills and widening the understanding of relevance of Africa Philanthropy Network (APN)"s work as well as for personal development.

Employment opportunities

Africa Philanthropy Network (APN) 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, tribe, religion and disability which does not impair the ability to discharge official duties.

10. AUDITORS

During the period, Adolph Associates was appointed as the Organization's auditor and has expressed its willingness to continue in office and is eligible for reappointment.

Approved by the board of directors and signed by:

Francis Kiwanga
Chairperson

AFRICA PHILANTHROPY NETWORK
(APN)
P. O. Box 10011
DAR ES SALAAM
TANZANIA

13/04/2021
Date

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

The Africa Philanthropy Network (APN) constitution requires directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Organization as at the end of the financial year and of its net income for the year. It also requires the directors to ensure that the Organization keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Organization. They are also responsible for safeguarding the assets of the Organization and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Organization's constitution. 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 of its net income in accordance with International Financial Reporting Standards (IFRS). 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.

Nothing has come to the attention of the directors to indicate that the Organization will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:

AFRICA PHILANTHROPY NETWORK (APN) P.O. Box 10011 DAR ES SALAAM * TANZANIA *

Francis Kiwanga
Chairperson

Stigmata Tenga
Executive Director

13|4|2021
Date

AFRICA PHILANTHROPY NETWORK (APN)
DECLARATION OF THE HEAD OF FINANCE OF AFRICA PHILANTHROPY NETWORK (APN) FOR THE YEAR ENDED 31 DECEMBER 2020

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 entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors /Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's financial position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

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

I, Beatrize Batinamani hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2020 have been prepared in compliance with International Financial Reporting Standards and statutory requirements.

I thus confirm that the financial statements of Africa Philanthropy Network (APN) for the year ended 31 December 2020 give a true and fair view of the financial position as on the date and that they have been prepared based on properly maintained records.

NBAA Membership No GA 7621

Date 13/04/ 2021

Adolph Associates
Certified Public Accountants

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Ghana / Ohio Street
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Dar es Salaam, Tanzania

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REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF AFRICA PHILANTHROPY NETWORK (APN)

Independent Auditor's Report To the Members of Africa Philanthropy Network (APN)

Report on the Audit of the Financial Statements For the financial year ended 31 December 2020

Opinion

We have audited the financial statements of Africa Philanthropy Network (APN), which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the entity as of 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 entity 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. The basis for our opinion is detailed on the following paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. There were no key audit matters to report during the year ended 31 December 2020.

Responsibilities of Management and 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. In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 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 the 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

In our opinion, the accounting and other records required by the Non-Governmental Organisation Act, 2002 to be kept by the Entity have been properly kept in accordance with the provisions of the NGO Act.

The engagement partner on the audit resulting in this independent auditor's report is Charles Adolph

Adolph Associates
Certified Public Accountants
Dar es Salaam, Tanzania

Signed by: .... Date 16/04/2021

Registration No: FCPA T14

ADOLPH ASSOCIATES * CERTIFIED PUBLIC ACCOUNTANT & AUDITORS PF 119 * P.O.Box 19080, DAR ES SALAAM

AFRICA PHILANTHROPY NETWORK (APN)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

INCOME	Notes	2020 **TZS**	2020 **USD**	2019 **USD**
Grants	6	473,308,477	205,925	73,532
Membership Subscription		68,229,488	29,685	26,764
Other Income	7	66,793	29	
		541,604,758	235,639	100,296
Operating costs	8	620,739,901	270,069	126,249
Surplus/(deficit) before income tax		(79,135,142)	(34,430)	(25,953)
Surplus/Deficit b/forward		110,689,960	48,389	55,499
Adjustment on opening balance		-	-	18,843
Net surplus/(deficit) for the year		31,554,818	13,959	48,389

AFRICA PHILANTHROPY NETWORK (APN)

STATEMENT OF FINANCIAL POSITION AS
AT 31 DECEMBER 2020

	Note	2020	2019
ASSETS		**USD**	**USD**
Non-current assets	11		
Property and equipment		4,104	6,168
Current assets			
Cash and bank balances	9	1,564	31,441
		1,564	31,441
		5,668	**37,609**
RESERVES AND LIABILITIES			
Reserve and Surplus		(2,811)	31,619
LIABILITIES			
Current liabilities			
Creditors and Accruals	10	8,479	5,990
Total Liabilities		8,479	5,990
TOTAL RESERVES AND LIABILITIES		**5,668**	**37,609**

The financial statements on page 10 to 29 were approved and authorized for issue by the Board of Directors on 13/4/2021 and signed on its behalf by:

Francis Kiwanga
Chairperson

AFRICA PHILANTHROPY NETWORK (APN) P. O. Box 10011 DAR ES SALAAM TANZANIA

Stigmata Tenga
Executive Director

AFRICA PHILANTHROPY NETWORK (APN)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 TZS	2020 USD	2019 USD
Cash flow from operating activities				
Surplus/(deficit) before income tax		(79,135,142)	(34,430)	(25,952)
Adjusted for:				
Depreciation charge – property and equipment		5,499,079	2,393	1,902
Opening balance		-	-	18,843
		(73,636,063)	(32,038)	(5,207)
Increase/(decrease) in Creditors and Accruals		5,783,917	2,489	5,004
Cash (used in)/generated from operations		(67,916,853)	(29,549)	(203)
Cash flows from investing activities:				
Plant and equipment acquired	11	(753,892)	(328)	(5,066)
Cash generated from investing activities		(753,892)	(328)	(5,066)
Cash flows from financing activities:				
Net (decrease)/increase in cash and cash equivalents		(68,670,745)	(29,877)	(5,269)
Cash and cash equivalents at the beginning of the year		72,265,566	31,441	36,710
Cash and cash equivalents at the end of the year		**3,594,822**	**1,564**	**31,441**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ORGANIZATION INFORMATION

Africa Philanthropy Network (APN) is a registered Non-Governmental Organization with registration number I-NGO/R2/00023
The address of its registered office is described in page 1 of these financial statements.

Accounting Framework

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

(a) Basis of preparation Changes in accounting policy and disclosures
i)
New and amended IFRS Standards that are effective for the current year/New and amended standards adopted by the Company

In the current year, the organization has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

The amendments are irrelevant to the Organization given that it doesn't apply hedge accounting to its benchmark interest rate exposures.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Organization has not applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

ii) New and revised IFRS Standards in issue but not yet effective

IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of: ▪ discounted probability-weighted cash flows ▪ an explicit risk adjustment, and ▪ a contractual service margin (CSM) representing the unearned profit of the contract which is recognized as revenue over the coverage period. The standard allows a choice between recognizing changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the „variable fee approach" for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity"s share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.	1 January 2021 (likely to be extended to 1 January 2022)

IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint venture* The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors" interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors" interests in the new associate or joint venture. The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.	The effective date of the amendments has yet to be set.
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current.* The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of „settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.	annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3	*Reference to the Conceptual Framework* The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an	1 January 2022

	acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.	
Amendments to IAS 16	*Property, Plant and Equipment—Proceeds before Intended Use.* The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of „testing whether an asset is functioning properly". IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	annual periods beginning on or after 1 January 2022, with early application permitted

Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract* The amendments specify that the „cost of fulfilling" a contract comprises the „costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	annual periods beginning on or after 1 January 2022, with early application permitted.

	The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	
Annual Improvements to IFRS Standards 2018-2020 Cycle	*Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture IFRS 9 Financial Instruments* The amendment clarifies that in applying the „10 per cent" test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. *IFRS 16 Leases* The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example. *IAS 41 Agriculture* The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	annual periods beginning on or after 1 January 2022, with early application permitted. no effective date is stated annual periods beginning on or after 1 January 2022, with early application permitted.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as noted above. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARD (CONTINUED)

d) Early adoption of standards

The organization did not early-adopt any new or amended standards in the year ended 31 December 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where a change in the presentation format between the prior year and current year financial statements has been made during the period, comparative figures have been restated accordingly.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise its judgement in the process of applying the Organization's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

b) General reserves

General reserves represent unrestricted funds arising from accumulated other income that are available for use at the discretion of the directors in furtherance of the objects of the Organization.

c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Organization are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars which is the Organization's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at yearend exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

d) Income recognition

Income comprises grants income from current grants, release of capital grants and other income from Africa Philanthropy Network (APN) staff participating in various technical meetings and forums.

Funding arrangements

Africa Philanthropy Network (APN) operates a funding arrangement where donor funds are directly received in Africa Philanthropy Network (APN) bank accounts maintained in Grants revenue is recognized only when conditions for spending have been fully met. Donor funds used to acquire property and equipment are allocated to a deferred capital grants account. The deferred capital grants are amortized to statement of comprehensive income on a systematic basis to match the depreciation charge on the assets on a straight line basis.

e) Property and equipment

Property and equipment are initially recognized at cost. Subsequently, property and equipment are stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

e) Property and equipment (continued)

Assets are depreciated starting in the month they are put into use. Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset class	Rate (%)
Computers and accessories	37.5%
Furniture and fittings	12.5%

The assets" residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive income within other income.

f) Financial assets

(i) Classification

All financial assets of the Organization are in the category of receivables.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current assets except for maturities greater than 12 months, otherwise they are classified as non-current. The Organization's receivables comprise staff debtors and cash and cash equivalents in the statement of financial position.

(ii) Recognition and measurement

Receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

(iii) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(iv) Impairment

The Organization assesses at the end of each reporting period whether there is objective evidence that a financial asset or Organization of financial assets is impaired. A financial asset or an Organization of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a „loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Organization of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the donors or a group of donors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

g) Financial assets

For receivable category the amount of the loss is measured as a difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income. If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

h) Other receivables

Other receivables consist of funds deposited to vendors and employees in the normal course of the business. Advances and prepaid expenses are recognized upon payment and derecognized when service has been rendered.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Income tax

The current and deferred income tax charge is computed on the basis of reported profit before tax for the year under review and regulations of the United Republic of Tanzania, in which the Organization is registered, using substantively enacted tax rates in Tanzania where the Organization operates and generates taxable income. Income tax companies currents tax and deferred tax.

Current tax charge is the amount of income tax payable on the taxable profit for the year and any adjustments to the tax payables in respect of prior years. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishing provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income

tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset the current tax assets against the current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

k) Grants receivable

Grants receivable comprise contractual commitments from donors/development partners where the Organization has incurred expenditure as per grant agreement and is yet to be reimbursed by the donor/development partner. This is a change in accounting for grants receivable which were previously accounted for upon signing of the agreement with donor/development partner. Details of the restatement as a result of this change, which also affected deferred revenue grant is set out in note 8.

4. FINANCIAL RISK MANAGEMENT

Organization financial assets and liabilities are denominated in Tanzania shillings, Kenyan shillings and Ugandan shillings. As a result, the Organization is exposed to exchange rate fluctuations that have impact on cash flows. Exposure to foreign currency risk is mitigated by the fact that the Organization maintains certain part of its grants in United States Dollar. The effect of the foreign currency risk is not significant and therefore management does not hedge against foreign currency risk. This exposure does not result in significant risk as foreign currency assets and liabilities are normally recovered and settled within a fairly short time.

(a) Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from various donors and/ (or) development partners.

(b) Liquidity risk (continued)

The table below analyses the Organization's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Organization makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INCOME

	2020 TZS	2020 USD
Grants	473,308,477	205,925
Membership Subscriptions	68,229,488	29,685
	541,537,965	**235,610**

7. OTHER INCOME

Other Income	66,793	29
	66,793	29

8. OPERATING COSTS

Peer Learning	224,904,252	97,850
Enabling Environment	269,220,207	117,131
Institutional Strengthening	126,615,442	55,088
	620,739,901	270,069

9. CASH AND BANK BALANCES

Bank balances	3,277,659	1,426
Cash in Hand	317,163	138
	3,594,822	1,564

10. CREDITORS AND ACCUALS

Creditors and Accruals	19,488,558	8,479
	19,488,558	8,479

11. PROPERTY AND EQUIPMENT

	Computer & Accessories	Printer	Furniture & fittings	Total
	Usd	Usd	Usd	Usd
Cost				
At 01 January 2020	7,156	1,000	200	8,356
Additions	328	-	-	328
(Disposal)	-	-	-	-
At 31 December 2020	**7,484**	**1,000**	**200**	**8,684**
Accumulated depreciation				
At 01 January 2020	1,930	232	25	2,187
(Disposal)	-	-	-	
Charge for the year	2,083	288	22	2,393
At 31 December 2020	**4,013**	**520**	**47**	**4,580**
Net book value				
At 31 December 2020	**3,471**	**480**	**153**	**4,104**

11 FIXED ASSETS:(EQUIPMENT & CAPITAL EXPENDITURES)

	Computer & Accessories	Printer	Furniture & fittings	Total
	Tsh	Tsh		Tsh
Cost				
At 01 Jan 2020	16,354,152	2,281,000	457,584	19,092,736
Additions	753,892	-	-	753,892
(Disposal)	-	-	-	-
At 31 December 2020	**17,108,044**	**2,281,000**	**457,584**	**19,846,628**
Accumulated depreciation				
At 01 Jan 2020	4,415,291	529,935	57,198	5,002,424
(Disposal)	-	-	-	-
Charge for the year	4,787,671	661,954	50,566	5,499,079
At 31 December 2020	**9,202,962**	**1,191,889**	**107,764**	**10,501,503**
Net book value				
At 31 December 2020	**7,905,081**	**1,089,111**	**349,820**	**9,345,125**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COMMITMENTS AND CONTINGENCIES

Contingencies:

There are no contingencies at the year-end.

AFRICA PHILANTHROPY NETWORK (APN)
APPENDIX

ANALYSIS OF DETAILED BUDGET VERSUS ACTUAL EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2020

Description	Budget	Actual Expenditure	% Variance
Peer Learning	76,314.37	97,850.00	28%
Enabling Environment	91,351.85	117,131.00	28%
Institutional Strengtherning	42,963.78	55,088.00	28%
	210,630.00	270,069.00	