

Nolands

NOT YOUR ORDINARY AUDITORS



&

**LOWER GURUVE
DEVELOPMENT ASSOCIATION
FINANCIAL STATEMENTS
31 DECEMBER 2016**

Nolands
NOT YOUR ORDINARY AUDITORS

**LOWER GURUVE DEVELOPMENT ASSOCIATION
MAIN ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

Registered Office Stand No: 295
GURUVE

Telephone +263 58 2477, +263 58 2552

Email lgda@mango.zw

Business Developing the Mbire District community.

Established 1991

Board of Trustees

Mr E Murendo (Executive Director)
Mr L Nyamasoka (Chairperson)
Ms M Chaka (Treasurer)
Mrs E Muveteri (Secretary)
Mrs N Chikwira (Member)
Mr C Chimukoro (Member)
Mr D Mupfumbira (Member)
Mrs P Dzivarenyenga (Member)
Mrs E Maveza (Member)
Mrs E Hwingwiri (Member)
Mr F Muodza (Member)
Mr B Mutande (Member)
Mr J Vhareta (Member)
Mrs A Chingwa (Member)
Mrs C Kataika (Member)
Mr E Chigwajara (Member)
Mrs R Gomo (Member)
Mrs M Guvheya (Member)
Mrs J Mugari (Member)

Bankers Standard Chartered Bank Limited,

Auditors Nolands Harare Chartered Accountants
No. 7 Glenara Avenue South
Cnr Samora Machel Avenue, Eastlea
Harare
Tel: +263 (04) -4810337/9, 49522

LOWER GURUVE DEVELOPMENT ASSOCIATION
MAIN ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

INDEX TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

	Page
Approval of annual financial statements	3
Independent auditors' report	4-5
Financial Statements	6-18

LOWER GURUVE DEVELOPMENT ASSOCIATION
MAIN ACCOUNT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Trustees' responsibility for financial reporting

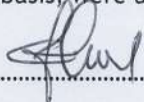
The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the board of Trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Association is on identifying, assessing, managing and monitoring all known forms of risk across the Trust. While operating risk cannot be fully eliminated, the Association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The Trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently reviewing and reporting on the organisation's financial statements. The financial statements have been examined by the Association's external auditors and their report is presented on pages 4-5.

The financial statements and the notes thereto set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the trustees and were signed by ;

Chairperson; .....

Date: 21/06/2018

Executive Director; .....

Date: 21/6/18

To the members of Lower Guruve Development Association Zimbabwe

Report on the financial statements

Opinion

We have audited the Financial Statements of Lower Guruve Development Association set out on pages 6 to 18, which comprise the Statement of Financial Position as at 31 December 2016, and the Statement of Comprehensive Income, Statement of Changes in Reserves and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Lower Guruve Development Association as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Association in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the Financial Statements

The Board is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and for such internal control as the Board 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 Board is responsible for assessing the association'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 Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 the Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 controls.
- Obtain an understanding of internal controls 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 association's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's 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 Association 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 the Board 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.

Nolands

Nolands Harare Chartered Accountants

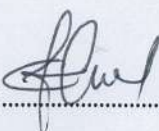
HARARE

Date *22/06/2018*


LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTES	US\$ 2016	US\$ 2015
Assets			
Non current assets			
Property and equipment	3	92,048	100,168
		<u>92,048</u>	<u>100,168</u>
Current assets			
Accounts receivable	4	11,136	150
Cash and cash equivalents	5	20,040	15,132
		<u>31,176</u>	<u>15,282</u>
Total assets		<u><u>123,224</u></u>	<u><u>115,450</u></u>
Reserves and liabilities			
Reserves			
Non distributable reserve		7,535	7,535
Accumulated funds		39,259	68,170
		<u>46,795</u>	<u>75,705</u>
Current liabilities			
Accounts payable	6	76,429	39,745
		<u>76,429</u>	<u>39,745</u>
Total reserves and liabilities		<u><u>123,224</u></u>	<u><u>115,450</u></u>

Signed for and on behalf of the Board of Trustees by;

Chairperson; 

Date; 21/06/2018

Executive Director; 

Date; 21/6/18

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	US\$ 2016	US\$ 2015
Income			
Productive Asset Creation			
Women Cotton Production Assembly		-	214,553
World Food Programme			
Productive Asset Creation		185,387	-
Lean Season Assistance		240,645	-
LGDA Contributions			
Membership contributions		873	8,315
Internal vehicle hire		8,448	6,500
Sundry income		46,307	-
Total Income		481,661	229,368
Expenditure			
Programmes			
Productive Asset creation	7.1	198,641	225,422
Lean Season Assistance	7.2	244,103	-
Administration	7.3	43,590	14,256
Mbire Livestock Project Production	7.4	-	3,831
Moderate Acute Malnutrition	7.5	24,238	-
Total Expenditure		(510,572)	(243,509)
Deficit for the year		(28,911)	(14,141)

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2016

	Non Distributable Reserve	Accummulated fund	Total
Balance as at 31 December 2014	7,535	82,311	89,846
Deficit for the year	-	(14,141)	(14,141)
Balance as at 31 December 2015	<u>7,535</u>	<u>68,170</u>	<u>75,705</u>
Deficit for the year	-	(28,911)	(28,911)
Balance as at 31 December 2016	<u><u>7,535</u></u>	<u><u>39,259</u></u>	<u><u>46,794</u></u>

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	US\$ 2016	US\$ 2015
Operating activities		
Deficit for the year	(28,911)	(14,141)
<i>Adjusted for:</i>		
Depreciation	10,920	10,360
Cash flows before working capital changes	<u>(17,991)</u>	<u>(3,780)</u>
Working capital changes		
Increase in receivables	(10,986)	(150)
Increase in payables	36,685	70,924
Cash flows from / (applied in) operating activities	<u>7,708</u>	<u>66,994</u>
Investing activities		
Purchase of property and equipment	(2,800)	-
Cash flows applied in investing activities	<u>(2,800)</u>	<u>-</u>
Net cash movement for the period	<u>4,908</u>	<u>66,994</u>
Cash and cash equivalents at the beginning of the year	15,132	(51,862)
Cash and cash equivalents at end of the period	<u><u>20,040</u></u>	<u><u>15,132</u></u>

LOWER GURUVE DEVELOPMENT ASSOCIATION
MAIN ACCOUNT
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Incorporation and Activities

The Association is registered under the Private Voluntary Organisation Act (Chapter 17:05) and is involved in community development projects in the Mbire District (formerly Lower Guruve) area of Mashonaland Central province.

2 Accounting policies

The principal accounting policies which are set below have been consistently followed in all material respect.

2.1 Basis of preparation

The Association financial statements are prepared on a historical cost basis of accounting.

2.2 Grant Income and Expenditure

Grant income is accounted for on receipt basis. Expenditure for goods and services is recognised for accounting purposes at the time expenditure is incurred.

2.3 Presentation currency

The financial statements are presented in United States Dollars. Transactions in other currencies were converted using the applicable spot rate rulling at the date of transaction.

2.4 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight line basis over their anticipated useful lives at the following annual rates.

Buildings	2.5%
Vehicles	20%
Office furniture	10%
Equipment, workshop tools	10%
Plant and machinery	10%

2.5 Financial instruments

Classification

The organisation accounts for its financial assets at fair value through profit and loss, loans and receivables or as available- for -sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at acquisition.

LOWER GURUVE DEVELOPMENT ASSOCIATION

MAIN ACCOUNT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised 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 reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised 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.

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

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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.

LOWER GURUVE DEVELOPMENT ASSOCIATION

MAIN ACCOUNT

NOTES FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

3 PROPERTY AND EQUIPMENT

	Land and Buildings	Motor Vehicles	Training Equipment	Office Equipment	Plant & Machinery	Total
Carrying Amount-31 December 2014	74,793	-	6,573	20,972	8,190	110,529
Gross carrying amount or cost	87,992	44,500	15,916	45,213	20,475	214,096
Accumulated depreciation	(13,199)	(44,500)	(9,342)	(24,242)	(12,285)	(103,567)
Disposals	-	(6,000)	-	-	-	(6,000)
Depreciation on disposal	-	6,000	-	-	-	6,000
Depreciation for the year	(2,200)	-	(1,592)	(4,521)	(2,048)	(10,360)
Carrying Amount-31 December 2015	72,593	-	4,982	16,450	6,143	100,168
Gross carrying amount or cost	87,992	38,500	15,916	45,213	20,475	208,096
Accumulated depreciation	(15,399)	(38,500)	(10,934)	(28,763)	(14,333)	(107,928)
Additions	-	2,800	-	-	-	2,800
Depreciation for the year	(2,200)	(560)	(1,592)	(4,521)	(2,048)	(10,920)
Carrying Amount-31 December 2016	70,394	2,240	3,390	11,929	4,095	92,048
Gross carrying amount or cost	87,992	41,300	15,916	45,213	20,475	210,896
Accumulated depreciation	(17,598)	(39,060)	(12,525)	(33,284)	(16,380)	(118,848)

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 NOTES FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	US\$ 2016	US\$ 2015
4 Accounts receivable		
Trade receivables	10,986	-
Staff debtors	150	150
	<u>11,136</u>	<u>150</u>
5 Cash and cash equivalents		
Cash at bank	20,040	15,132
	<u>20,040</u>	<u>15,132</u>
6 Accounts payable		
PAYE and AIDS levy	-	25,850
NSSA	4,860	-
Trade payables	71,569	13,895
	<u>76,429</u>	<u>39,745</u>

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 NOTES FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	US\$ 2016	US\$ 2015
7.1 Productive Asset creation		
Staff and related costs		
Administrative staff	7,938	-
Programme staff	7,056	-
Travel	-	835
	<u>14,994</u>	<u>835</u>
Recurring costs- main office		
Rental of facility	660	2,000
Utilities	512	364
Communication fees	1,979	1,654
Office supplies	372	856
Light vehicle running costs	1,280	-
Office security	1,720	-
	<u>6,523</u>	<u>4,874</u>
Staff and related costs-sub office 1		
Administrative staff	10,200	-
Programme staff	60,860	91,686
Travel	3,984	-
Training	-	220
	<u>75,044</u>	<u>91,906</u>
Recurring costs - sub office 1		
Rental facility	820	-
Utilities	420	279
Communication fees	496	885
Office supplies	578	2,588
Light vehicle running costs	10,463	8,760
Office security	1,380	-
Protective clothing	-	40
	<u>14,157</u>	<u>12,552</u>
Equipment and other-sub office		
Computer and communication equipment	25	-
Procurement of NFI	80,817	96,679
	<u>80,842</u>	<u>96,679</u>
Management fee		
Visibility material	-	283
	<u>-</u>	<u>283</u>
Administrative cost (7%)	7,081	18,293
Grand Total	<u>198,641</u>	<u>225,422</u>

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 NOTES FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	US\$ 2016	US\$ 2015
7.2 Lean Season Assistance		
Main office running and staff costs		
Administration staff	5,718	-
Programme staff	6,664	-
Travel	560	-
Utilities	787	-
Communication fees	1,107	-
Office supplies	422	-
	<u>15,258</u>	<u>-</u>
Sub-office 1 office running and staff cost		
Administrative staff	13,200	-
Programme staff	147,552	-
Travel	1,390	-
Training	3,299	-
Utilities	800	-
Communication fees	2,716	-
Office supplies	1,765	-
Light vehicle running costs	50,245	-
Other (Visibility materials)	200	-
	<u>221,166</u>	<u>-</u>
Administrative cost (7%)	7,679	-
Grand Total	<u>244,103</u>	<u>-</u>

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 NOTES FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	US\$ 2016	US\$ 2015
7.3 Administration		
Audit fees	4,708	361
Bank charges	1,541	140
Communication fees	60	337
Depreciation	10,920	10,360
Fundraising activities	895	-
Motor vehicle expenses	520	2,243
Office generator expenses	-	10
Printing and stationery	12	15
Repairs and maintenance	3,673	-
Staff salaries and allowances	20,753	700
Staff Welfare	-	65
Subscriptions	50	-
Teas and cleaning	2	-
Travel and subsistence	451	24
Water and electricity	5	-
Grand Total	<u>43,590</u>	<u>14,256</u>

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 NOTES FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	US\$ 2016	US\$ 2015
7.4 Selected Targeting Assistance		
Training and capacity development of 9280 smallholder farmers		
Training of trainers 120 farmers (60% women) on cross cutting issues	-	793
	-	<u>793</u>
Strengthening the capacity of 15 LCAs		
Facilitate lobbying and advocacy forums between livestock commodity	-	388
Improve local cattle breed	-	85
	-	<u>473</u>
Project implementation and monitoring		
Facilitate the holding of quarterly community review meetings	-	1,888
Administration and support	-	677
	-	<u>2,566</u>
Grand Total	-	<u><u>3,831</u></u>

LOWER GURUVE DEVELOPMENT ASSOCIATION
 MAIN ACCOUNT
 NOTES FOR THE YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	US\$ 2016	US\$ 2015
7.5 Moderate Acute Malnutrition		
Main office running and staff costs		
Administration staff	1,501	-
Programme staff	392	-
Travel	86	-
Communication fees	10	-
Office supplies	20	-
Light vehicle running costs	669	-
	<u>2,678</u>	<u>-</u>
Sub-office 1 office running and staff cost		
Administrative staff	5,800	-
Programme staff	11,146	-
Training	1,664	-
Rental facilities	500	-
Light vehicle running costs	2,450	-
	<u>21,560</u>	<u>-</u>
Grand Total	<u>24,238</u>	<u>-</u>



THE WAY WE WORK

WE WILL TRY TO UNDERSTAND MORE ABOUT WHAT OUR CLIENTS NEED AND EXPECT FROM US – AND THEN FIND WAYS TO EXCEED THOSE EXPECTATIONS.

WE WILL SET AND RE-SET OBJECTIVES TO MAKE SURE WE PROVIDE THE LEVEL OF SERVICE OUR CLIENTS EXPECT AND DESERVE.

WE WILL DO WHAT IT TAKES TO MAKE SURE DEADLINES ARE MET, THAT PROBLEMS ARE UNDERSTOOD AND ANTICIPATED AND THAT THE ONLY SURPRISES ARE PLEASANT ONES.

WE WILL TRY TO FIND WAYS THAT EARN US THE RIGHT TO BE REGARDED AS OUR CLIENTS' BUSINESS PARTNERS AND NOT JUST MANDATORY SERVICE SUPPLIERS.

WE WILL MAKE SURE THAT WE BOTH ADDRESS PROBLEMS AND IDENTIFY OPPORTUNITIES AS QUICKLY AND PROFESSIONALLY AS POSSIBLE.

WE WILL REGULARLY ASK OUR CLIENTS TO RATE OUR PERFORMANCE AND CONTRIBUTION – AND USE THOSE ASSESSMENTS TO RE-FOCUS OUR EFFORTS.

RELATIONSHIP	SOLUTION
CONTROL	EMPOWERMENT
GROUNDING	VISIONARY
STRUCTURE	FLEXIBILITY
LOGIC	CREATIVITY
RIVALRY	FRIENDSHIP
CONFIDENCE	HUMILITY
CRITIQUE	ENCOURAGEMENT
COST EFFECTIVE	HIGH QUALITY
CANDOUR	DIPLOMACY
PLANNING	IMPLEMENTATION
INDIVIDUAL	GROUP
GUIDANCE	TOLERANCE
DECISIVENESS	MINDFULNESS
RESPONSIBILITY	FREEDOM

Nolands