

EOTAS FOUNDATION

ANNUAL REPORT THE YEAR ENDED

31ST DECEMBER 2012

Activity report and audited financial statements



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1 DIRECTORS' REPORT

Compliant to the EOTAS foundation constitution and the Tanzanian financial Accounting Standard nr. 12 on Directors' Report, the directors are pleased to submit the report, auditor's report and audited financial statements of EOTAS for the year ended 31st December 2012.

The year 2012 has been used by the EOTAS Foundation to evaluate and re-organise activities in Tanzania in order to assure sustainability for the deaf school and associated programs in Dodoma. EOTAS remains committed to empowering deaf children to build a life of dignity and self-reliance in the future for themselves.

The effect of the global credit crisis and several challenging situations caused by misinformed authorities in Dodoma regarding EOTAS support to the Dodoma Deaf School motivated the Directors to review existing operations. The Directors are pleased to announce that a new plan has been worked out in partnership with the Anglican Church in Dodoma. Under this partnership it will be possible for EOTAS Foundation to concentrate on funding, expansion of the school and improving the Supplementary Services.

This annual report discusses the following five main activities during the year 2012:

- 1) Support to the Dodoma Deaf School,
- 2) Cooperation with other organisations,
- 3) Income Generating Projects and Vocational Training,
- 4) Construction activities.
- 5) Supplementary Services.

General information of the EOTAS Foundation

Name:	Environment Oriented Training And Support (EOTAS)
Office:	Camp Holland Compound, Plot 328 Kilimani, P.O. Box 2696, Dodoma, Tanzania.
Phone:	0732 - 960098
Email/ website:	info@eotasfoundation.org / www.eotasfoundation.org
Reg. Nr.:	00NGO/1870
Bank Details:	National Bank of Commerce: PO Box 1443 Dodoma. Account nr.: 029201010391; Swift code: NLGBTZTX

Board Members:	Chairperson:	Mr. Ganana Kamwela
	Secretary:	Mr. Isaac Mtemi
	Treasurer:	Ms. Mary Nsinyi
	Program Director:	Mr. Robin van Donkersgoed
	Members:	Head Teacher: Mr. Kennedy Maingu,
		Teacher: Mrs Pelagia Mushi
		Target group representative: Hawa Awesso

2 Support to the Dodoma Deaf School

The Dodoma Deaf School started 2012 with 2 groups in preschool and 6 groups in Primary Education. On average there were 8 children per group with one hearing and one deaf teacher working together in each group. Due to shortage of space is the school forced to combine groups in the same classrooms. In addition the school is using two of the boarding houses as temporary classrooms for primary education. EOTAS provides the following assistance together with The Liliane Foundation from the Netherlands:

- Travel support for pupils and their parents, when required.
- Payment of allowances for assistant teachers.
- Medical care for the children.
- Provision of tea, porridge and small snacks during mid-morning break.
- Funding of boarding facilities for 36 children, who failed to go home daily due to distance or domestic problems.

Provision of accommodation and support facilities for a volunteer Speech therapist who works at the school in cooperation with the organisation of VSO (Volunteer Services Organisation)

As a result of the assistance of EOTAS the school continues to expand. Still the school faces many challenges as follows:

- Shortage of 6 classrooms during the year 2012.
- Insufficient funds to take care of more children in boarding. Many deaf children are denied their right to receive good care and an education, because of distance and/or problems at home.
- Shortage of sufficiently trained teachers who are capable of using sign language to support the children in communication, in their whole social- and learning development and understand the psychological needs of deaf children.
- By the end of the year 72 children were registered at the school. In reality an average of 62 children would show up daily. Often different parents find the challenges of daily survival to great to assure that their children attend school every day. Few parents give the education of their deaf child the importance it requires. This is one of the reasons why participation in sign language training and close contact with the school is hard to realise amongst all parents.

3 Cooperation with other organisations

EOTAS acts as a mediator for the Liliane Foundation from the Netherlands to assure that deaf children are given the opportunity to attend school and stay in boarding when required, due to distance or other issues at home. Thanks to this cooperation, 56 children have received direct sponsorships and as a result they are able to attend school daily.

EOTAS works together with the Anglican church in Dodoma (DCT) and the Municipality of Dodoma in the management of the Dodoma Deaf School. The organisation provides funding, management coaching, and financial and administrative support. The DCT takes responsibility for daily management and non-teaching support staff at the school and the boarding facility. The Dodoma municipality is responsible for providing and salaries of trained teachers and basic food for the children in boarding.

On a nationwide approach EOTAS works together with Global Deaf Connection/USAID from America in developing a teacher training program for deaf students. Under this program deaf Secondary graduates will be given the opportunity to enter teacher training college and become teachers for deaf primary education pupils. EOTAS assists with financial management, networking and office facilities.

Further cooperation continues with the Special Education Unit at the Ministry of Education in Dar Es Salaam on selection of suitable teacher for the Dodoma Deaf School and planning expansion of the school and the deaf education program.

4 Income Generating Projects and Vocational Training

Many deaf youths fail to continue in Secondary education after finishing primary education. The provision of practical skills through recognized Vocational training institutes offers a solution to some of the deaf youths. EOTAS supports deaf youths who show a high level of motivation and hard work to succeed at their studies. Currently EOTAS works together with Wanaziwi Foundation from the Netherlands in setting up a tailoring project for deaf women. The project is carried out in temporary accommodation at the school grounds, while waiting for a tailoring studio to be completed at the institute in Dodoma. After completion of the tailoring studio, the project can expand further and will aim to act both as a training and income generating facility for participating deaf women. The products manufactured in this project are available for sale both in Tanzania and in the Netherlands.

The practical training facility, which is expected to facilitate training in carpentry, mechanics, electrical and plumbing is still under construction. Due to various circumstances outside of the organisation's control, there has been significant delays with the construction. However in 2012 construction has been started again and an effort will be made to complete this project at earliest possible opportunity. Financing the project will continue to be the main potential cause of delays.

In general the policy is that once deaf students have finished their studies successfully they may apply for a position within the school or in any other organisation or business. It falls outside the scope of EOTAS to guarantee students work, but the organisation will assist as a mediator between potential employers and a deaf candidate. If the school needs assistance, then a deaf person, who has finished his/her studies successfully, may be required to work at the school under normal employment conditions.

5 Supplementary Services

In addition to facilitating education for deaf children, EOTAS is also expanding services for the children in the form of Audiometry, Otoscopy, Hearing Aid Fitting and Counselling for parents.

- **Audiometry:** Tanzania has very limited audiometric facilities, therefore hearing impairment amongst most of the children is not recognised. People assume that the children are mentally retarded, because they do not understand the people around them. EOTAS has started audiometric services for deaf children in Dodoma. This means that all children have an equal right to be tested on their hearing. EOTAS has been able to test and monitor 32 children during the year.
- **Otoscopy:** As with the audiometric services in Tanzania, also otoscopy is very limited. In addition, care for the children during the diagnosis leaves a lot to be desired. EOTAS co-workers check the physical condition of the middle ear before further action is taken. As a result of these check-ups it has been discovered that many problems amongst children could have been avoided if the child would have received care earlier when needed. Therefore here lies another task for EOTAS: The organisation must advertise this service for more children. Early intervention and detection followed by correct treatment may reduce or avoid hearing problems amongst many children.
- **Hearing aid Fitting:** EOTAS is operating a hearing aid facility at the Dodoma Deaf School. During 2012 the facility has been able to support 6 small children with fitting and maintenance of hearing aids. The children with some residual hearing do benefit from the hearing aid while following lessons in the class room. Unfortunately they can not take the hearing aids home yet, due to lack of understanding in the community about the use of hearing aids. For example: If children are wearing hearing aids, they are often mistaken to be listening to a radio via earphone, which is considered impolite when meeting with somebody.
- **Parent counselling:** We do receive parents from all over the country who are desperate to find a place for their deaf child. EOTAS tries to help as much as possible parents and children with finding the best possible solution to provide the child with good education. Where possible EOTAS assists with placement in a suitable school or give the parents advice for alternative solutions, so that their child will still have a possibility to develop to the best of their ability. EOTAS organizes meetings with parents for the purpose of teaching sign language and discussions about how to cope with a deaf child's behaviour.

6 Support Activities and main events

During the year 2012 EOTAS carried out the following activities:

- The six rental apartments in Kilimani have become an important part of financial support for the school. Although occupation of the apartment was lower than expected, the apartments still managed to contribute approximately 20% to the EOTAS expenses of the running cost of the school.
- With support from Liliane Foundation Funding the organisation managed to increase number of beds in dormitories, improve the dining room facilities and add on tables and chairs in the classroom to facilitate the continuous growing number of pupils at the school.
- Due to financial constraints there have been no further major activities at the school. However the school continues to grow and administrative and financial management continues to improve and become more efficient. This development is an important keypoint in future expansion of the school and additional programs when more and bigger activities will require a strict management and monitoring discipline.

7 Result of the objectives set for 2012

Of the objectives we have set for the year 2012, the following has been achieved:

- EOTAS has continued to fulfill its promise to support the DCT with the school management and meet all the requirement. Consequently the school is functioning well and the children are achieving good result with their education.
- The appointment of a school manager has been delayed due to funding constraints. The school is currently managed by the Head Teacher and the Deaf project coordinator from the DCT.
- Sign language training at the school continues, but there is a further need to receive support from authorities in motivating teachers to use the sign language with the children in the classrooms.
- The development of the children's playground has been delayed due to lack of clear equipment management plans after construction. It is essential that the school has a clear management plan for maintenance and cleanliness of the area after installation, in order to assure a safe and hygienic play area for the children.
- Construction of the remaining walls of the vocational training centre on the school grounds has re-commenced and is expected to continue throughout 2013.
- Two additional government teachers have been appointed in January 2012. At current growth rate the school requires two additional teachers each year.
- The construction of two buildings of the proposed Vocational training Centre has continued as planned. It is expected that one of the building can be used as art and craft studio for the Wanaziwi project empowering deaf women in becoming self-reliant in the near future.

8 Objectives for 2013

The priorities of EOTAS are determined by the needs of deaf children, their parents, the school and general cooperation of authorities. This means that from time to time short term targets will be adjusted due to new urgent needs arising or change of general policies. The following objectives are set for 2013:

- EOTAS support for the Diocese of Central Tanganyika to maintain and further improve conditions and facilities at the Dodoma Deaf School.
- Appointment of a school manager in cooperation with DCT.
- For all teachers to become sufficiently skilled and confident in using sign language at school.
- Construction of steel framed swings, see-saws and a wooden climbing rack to replace the temporary equipment.
- Construction of the remaining walls and roofing of the vocational training centre on the school grounds.

- Appointment of sufficient qualified deaf teachers for all the classrooms. The school needs an additional 2 teachers for 2013.
- Construction of additional buildings of the proposed Vocational training Centre. One of the buildings will be financed by Wanaziwi from the Netherlands and for the other building new sponsors will have to be found.

9 Statement of responsibilities.

The following financial report explains the general income, expenses and balance of EOTAS in Tanzania. Insurance, airfares and allowances for the program coordinator are paid by EOTAS in the Netherlands and do not burden the Tanzanian organisation. All Board members of EOTAS are volunteers and do not receive a regular allowance for their position. They do receive a travel and food allowance when they attend periodic meetings.

The Board members are responsible for preparing the annual report and the financial statements in accordance with applicable law in Tanzania and Generally Accepted Accounting Practice. The NGO Act No. 24/2002-section 2 of Tanzania requires the NGO to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the NGO.

In preparing those financial statements the Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group will continue in business.

The Board is responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. This report and accounts comply with all current statutory requirements and the requirements of EOTAS' Constitution.

In accordance with the NGO act No 24/2002, as the Board members of the NGO, we certify that:


- so far as we are aware, there is no relevant audit information of which the charity's auditors are unaware;
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.
- All information presented in this report is true and accurate in relation to activities and financial statements of the NGO.

On behalf of the Board of Directors
Program Director
23 March 2013

Dated:

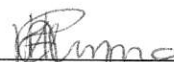
5th May 2013

Signed:



Chairman

Signed:



Secretary

10 REPORT OF THE AUDITOR

We have audited the accompanying Balance Sheet of Environment Oriented Training and Support for the year ended on 31st December 2012 and the related statements of Income, Receipts and Payments and Cash flows for the year then ended.

Preparation of these Financial Statements is the responsibility of the Board of Directors. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes examination on a test basis, evidence supporting the amount and disclosures in the ENVIRONMENT ORIENTED TRAINING AND SUPPORT (EOTAS) financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

The financial statements give a true and fair view of the financial position of the Non-Governmental Organization as of December 31st 2012, and of the results of its operations, its financial position and cash flows for the year then ended in accordance with International Standards for Small and Medium Enterprises (SME's) and comply with The Non-Governmental Organization Act, 2002.

KEEN ACCOUNTANTS AND AUDITORS, TAX AND BUSINESS CONSULTANTS.



M.K. MUSYANGI- ACPA-PP

DODOMA - TANZANIA

DATE: 6th May 2013

11 Statement of financial position as at 31st December, 2012

ASSETS EMPLOYED	NOTE	31.12.2012 Tsh	31.12.2011 Tsh
Fixed assets (Net)	2	294,992	1,062,411
TOTAL		294,992	1,062,411
CURRENT ASSETS			
Sundry Debtors and Prepayments	3	6,263,906	2,525,338
Cash at Bank and in hand	4	33,909,344	22,013,157
TOTAL		40,173,250	24,538,495
Current liabilities			
Auditing fees		800,000	800,000
Cash and debtors held for school	3, 4	40,173,250	24,538,495
WORKING CAPITAL		-800,000	-800,000
TOTAL NET ASSETS		-505,008	262,411
REPRESENTED BY			
Accumulated funds	11	-1,269,897	478,259
Surplus/Deficit		764,889	-215,848
TOTAL		-505,008	262,411

Notes 1 to 12 form part of these financial statements.


Chairman

Date: 5th May 2013

12 Statement of cash flow for the year ended 31st December, 2012

CASH FLOW FROM OPERATING ACTIVITIES	NOTE	31.12.2012 Tsh	31.12.2011 Tsh
Receipts from staff loans	3	3,983,690	1,290,618
Kilimani funds on behalf of DCT	4a	11,637,700	0
other receipts	7	3,192,526	2,650,000
NGO's office expenses	8	-12,426,177	-9,884,992
Loans granted	3	-4,849,481	-2,756,125
TOTAL		1,538,258	-8,700,499
CASHFLOW FROM INVESTING ACTIVITIES			
Disposal of fixed assets	7	800,000	0
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from donors	6	80,354,413	80,601,810
School expenses	9	-37,251,216	-34,881,304
Support projects	10	-33,545,268	-31,462,329
TOTAL		9,557,929	14,258,177
Net increase/ (Decrease) in cash		11,896,187	5,557,678
Cash at beginning of period		22,013,157	16,455,479
Cash at end of period		33,909,344	22,013,157

Notes 1 to 12 form part of these financial statements.


Chairman

Date: 5th May 2013

13 Statement of Receipts and Payments for the year ended 31st December 2012

RECEIPTS	NOTE	31.12.2012 Tsh	31.12.2011 Tsh
Liliane Foundation	6	43,454,076	52,723,803
Private donations	6	433,942	429,670
VSO Tanzania	6	1,165,000	950,000
EOTAS-Netherlands	6	13,593,275	26,498,337
Kilimani funds managed for DCT	4a	11,637,700	0
GDC	6	21,708,120	
Others	7	3,192,526	2,650,000
Disposal of motorbike		800,000	
Repayments of loans	3	3,983,690	1,290,618
Opening Balance	--	22,013,157	16,455,479
TOTAL		121,981,486	100,997,907
PAYMENTS			
NGO office expenses	8	12,426,177	9,884,992
School	9	37,251,216	34,881,304
Support projects	10	33,545,268	31,462,329
Loans granted	3	4,849,481	2,756,125
TOTAL		88,072,142	78,984,750
CLOSING BALANCE		33,909,344	22,013,157

Notes 1 to 12 form part of these financial statements.



Chairman

Date: 5th May 2013

14 Statement of comprehensive income for the year 2012

INCOME	NOTE	31.12.2012 Tsh	31.12.2011 Tsh
Funds from donors	6	10,263,308	9,884,992
Repayment of loans	3	3,983,690	1,290,618
TOTAL		14,246,998	11,175,610
GRAND TOTAL		14,246,998	11,175,610
LESS: EXPENDITURE	8		
Administration/General		2,362,829	1,654,822
Human Resources		6,881,200	4,387,474
Tools and equipment		145,050	347,000
Travel expenses		339,000	1,850,296
Direct sponsoring		2,522,869	0
Communications		175,229	530,000
Workshops/meetings		0	1,115,400
TOTAL		12,426,177	9,884,992
Depreciation	2	255,932	706,466
Auditing fees		800,000	800,000
TOTAL		1,055,932	1,506,466
INCOME VERSUS EXPENDITURE			
TOTAL		764,889	-215,848

Notes 1 to 12 form part of these financial statements.



Chairman

Date: 5th May 2013

15 Notes to the financial statements for the year ended 31 December 2012

15.1 NOTE 1 - ACCOUNTING POLICIES

Funding policies:

- EOTAS-Tz seeks, receives and manages funds from donors, on behalf of the Dodoma Deaf school and post-primary deaf students.
- EOTAS makes all payments on behalf of Post-Primary Students.
- EOTAS receives income from donors in the form of grants.
- In the accounts grants are amortised as required by Tanzanian Financial Accounting Standard (T.F.A.S.) no 6.- "Accounting for grants" at the rates equal to the rate of depreciation of the respective asset.

Fixed assets:

Rates of depreciation used in the accounts for fixed assets are:

- | | |
|--------------------------|-----|
| • Computers and printers | 20% |
| • Furniture | 10% |
| • Motor vehicle | 50% |
| • Motor bike | 25% |

Depreciation is charged in full in the year of purchase.

The school is a separate entity.

15.2 NOTE 2 Fixed assets

S/N	Particulars	Cost			Total	Disposal	Grand total	Depreciation				Nett book value 2011	Ammort. 2011	Nett book value 2012	Ammort. 2012
		Opening	Added purch.	Added don.				Opening	Additions	Total	Disposal				
1	laptop computers hp x1	150,000			150,000		150,000	0	0	0		150,000	0	150,000	0
2	laptop compaq x3	100,000			100,000	100,000		0	0	0		100,000	0	0	0
3	Laser Printer HP	98,304			98,304		98,304	19,661	0	19,661		78,643	19,661	58,982	19,661
4	Desk (main)	57,600			57,600		57,600	11,520	0	11,520		46,080	11,520	34,560	11,520
5	Chair (Executive)	44,160			44,160		44,160	8,832	0	8,832		35,328	8,832	26,496	8,832
6	Chair (Secretary)	18,668			18,668		18,668	4,667	0	4,667		14,001	4,667	9,334	4,667
7	Chair (plastic) x2	3,586			3,586		3,586	896	0	896		2,689	896	1,793	896
8	Desk (Secretary)	4,608			4,608		4,608	922	0	922		3,689	922	2,767	922
9	Shelves (filing)	9,216			9,216		9,216	1,843	0	1,843		7,373	1,843	5,530	1,843
10	Shelves (small)	9,216			9,216		9,216	1,843	0	1,843		7,373	1,843	5,530	1,843
11	Motorbike Zongshen	822,984			822,984	822,984		205,748	0	205,748	205,748	617,235	205,747	0	0
	TOTAL	1,318,342	0	0	1,318,342	922,984	395,358	255,932	0	255,932	205,748	1,062,411	255,931	294,992	50,184

15.3 Notes 3 - 6

	31.12.2012	31.12.2011
NOTE 3 LOANS TO STAFF		
Opening Balance	2,525,338	1,059,831
Additions	4,849,481	2,756,125
Adjustments	2,872,777	0
Repayments	3,983,690	1,290,618
Closing balance	6,263,906	2,525,338
NOTE 4 CASH AT BANK AND IN HAND		
Cash at Bank	19,515,644	13,359,357
Cash at bank on behalf of DCT (note 4a)	11,637,700	
Sub-total at bank	31,153,344	
Cash in hand	2,756,000	8,653,800
TOTAL	33,909,344	22,013,157
NOTE 4a Kilimani cash managed on behalf of DCT for exclusive use of Dodoma Deaf School		
Deposited in bank	18,220,000	0
Received in cash	13,223,750	0
Sub-total	31,443,750	0
Less compound expenses	16,761,050	0
Less school support	3,045,000	0
Sub-total	19,806,050	0
TOTAL	11,637,700	0
NOTE 5 GRANTS AMMORTISATION		
Opening Balance	0	1,443,120
Adjustments		-1,443,120
TOTAL	0	0
NOTE 6 Funds from donors		
Liliane Foundation	43,454,076	52,723,803
Private donations	433,942	429,670
GDC	21,708,120	0
VSO- Tanzania	1,165,000	950,000
EOTAS- Netherlands	13,593,275	26,498,337
	80,354,413	80,601,810
Less office expenses @ 12.77%	10,263,308	12.26% 9,884,992
TOTAL NET	70,091,105	70,716,818

15.4 Notes 7 – 12

	31.12.2012	31.12.2011
NOTE 7 Other Income		
Bank interest	147,526	0
Profit on disposal Motor cycle	182,765	
Income from Kilimani property	3,045,000	2,650,000
TOTAL	3,375,291	2,650,000

NOTE 8 OFFICE EXPENSE		
Administration/General	2,362,829	1,654,822
Human Resources	6,881,200	4,387,474
Tools and equipment	145,050	347,000
Travel expenses	339,000	1,850,296
Direct Sponsoring	2,522,869	0
Communications	175,229	530,000
Workshops/meetings	0	1,115,400
TOTAL	12,426,177	9,884,992

NOTE 9 SCHOOL EXPENSES		
See book keeping 2011 School		34,881,304
See book keeping 2012 School	37,251,216	

NOTE 10 SUPPORT PROJECTS		
See bookkeeping 2012 GDC	12,000,000	
See book keeping 2012 Renovations	4,986,000	
See book keeping 2012 Workshop	800,000	
See book keeping 2011 Art and Craft Centre		12,553,000
See book keeping 2012 Art and Craft Centre	15,759,268	
See book keeping 2011 Awareness program		4,820,000
See book keeping 2011 Assessments		14,089,329
TOTAL	33,545,268	31,462,329

NOTE 11 ACCUMULATED FUNDS		
Opening Balance	262,411	597,203
Ammortisation	0	1,443,120
Disposal	182,765	-1,521,981
Adjustment	-1,715,073	-40,083
SUB-TOTAL	-1,269,897	478,259
Deficit/surplus	764,889	-215,848
TOTAL	-505,008	262,411

NOTE 12 CONTINGENT LIABILITIES	
The NGO has no pending litigations as at the balance sheet date.	