

RURAL URBAN DEVELOPMENT INITIATIVES (RUDI)
AUDIT REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020.



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ABBREVIATIONS

RUDI	Rural Urban Development Initiatives
BDS	Business Development Services
AMDT	Agricultural Market Development Trust
NORAD	Norwegian Agency for Development
EAGC	East African Grain Council
PHH	Post Harvest Handling
USAID	United States Agency for International Development
SMEs	Small and Medium Enterprises
CECE	Creation an Environment for Cooperative Expansion

1.0 ORGANIZATION INFORMATION

Registered Office

Rural urban development initiatives
13 Kifaru Street
Mikocheni B, Off Warioba Road,
P.O. Box 78741
Dar es Salaam
E mail: info@rudi.or.tz
Website: www.rudi.or.tz

Chief Executive Officer

Abel P. Lyimo
RUDI
P.O. Box 78741
Dar es Salaam

E mail: abelp@rudi.or.tz

Bankers

1.0 CRDB Bank Plc
Holland Branch
P.O. Box 71960
Dar es Salaam

2.0 Barclays Bank

Slipway Branch
Msasani Slipway
P.O.Box 5137
Dar es Salaam

AUDITORS

Murl aatec associates,
Samora Avenue,
ACACIA Building,
P.O Box 71739,
Dar es Salaam.
Tel:
E-Mail: riwasigfrid@yahoo.co.uk

+255 754-282553

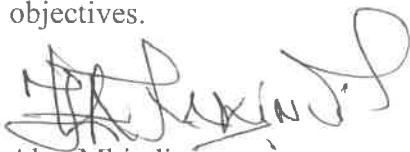
+255 786-282553

CHAIRMAN'S STATEMENT

The Board of the Rural Urban Development Initiatives (RUDI) has the pleasure to submit to you its Annual Report for the financial year ended 31stDecember 2020. The report highlights RUDI's activities, working relationships with its stakeholders both locally and internationally as well as its financial performance.

Year 2020 was a year of global pandemic of COVID-19. Despite the challenges RUDI managed to achieve its objectives. RUDI as an organization has a vision "*to have a highly organized, food and nutrition secure and wealthy society*". The programs implemented contributed to that vision and will continue to support the society particularly the smallholder farmers using a value chain approach. RUDI therefore strives among others to be an organization of choice in providing professional capacity building services and products to rural and urban enterprises to make them more competitive.

On behalf of the RUDI Board Directors, and my own behalf, I would like to thank all stakeholders that have supported RUDI in realizing many successes it has achieved over its fourteen years of operations. Special appreciation is extended to the RUDI Management and the entire staff for their commendable efforts that have enabled the organization to realize its objectives.



Alex Mkindi

Chairman

RUDI Board of Directors

Date: 6/4/2021

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020

1: Preamble

The RUDI Board of Directors submit their report and financial statements for the financial year ended 31st December 2020, which disclose the state of affairs of the organization.

2: RUDI Profile

Rural Urban Development Initiatives is a private sector development organization based in Dar es salaam Tanzania and one of the local NGOs, which is dealing with empowering micro-small enterprises (MSE) and farming communities through improved market linkage and distribution channel for their products.

Vision Statement: Highly organized, food and nutrition secure and wealthy society.

Mission Statement: To be an organization of choice in providing professional capacity building services and products to rural and urban enterprises to make them more competitive.

RUDI is registered under the NGO Act No 24 of 2002 since 2007 and it has been undertaking different projects since then. During the year ended 2020 RUDI managed to undertake five projects conducted in different part of Tanzania. These projects are;

PROJECT	DONOR
NAFAKA-Cost Extension	USAID through ACIDI VOCA
'Improve the competitiveness and increase postharvest value chain of smallholder farmers' in Iringa	EU/FAO
Governance and Innovation for Strengthening Rice Value Chains in Tanzania	IRISH AID through OXFAM
CECE	NCBA CLUSA/USAID
Disaster Risk Reduction Phase 2 (DRR II)	OXFAM Belgium

3. Principal Activities of the Organization

RUDI undertakes the following activities in both rural and urban areas of Tanzania with clients from public and private sector.

1. Agribusiness orientation and training
2. Post harvest technology promoters
3. Value Chain Development
4. Climate smart agriculture
5. System of Rice Intensification (SRI)
6. Cooperative development

4. FINANCIAL PERFORMANCE FOR THE YEAR 2020.

During the year ended 31st December 2020, RUDI received total income amounting to USD 558,209 compared to a USD 1,187,613 in the year ended 2019. The decrease of income by USD 629,404 was mainly contributed by completion of some projects and impact of COVID -19.

5. APPROPRIATION OF RESERVES/SURPLUS

RUDI is nonprofit making and for that reason; there is no declaration of dividends. Any surplus generated, shall be used for financing future activities of the organization.

6. COMPOSITION OF THE RUDI BOARD OF DIRECTORS

The RUDI Directors at the time of audit were:

Name	Citizenship	Title
1) Alex Mkindi	Tanzanian	Chairman
2) Mary Katabange	Tanzanian	Vice Chairman
3) Stephen Kijazi	Tanzanian	Member
4) Neema Mori	Tanzanian	Member
5) Jeremiah Haki	Tanzanian	Member
6) Elimpaa Kiranga	Tanzanian	Member
7) Abel Lyimo	Tanzanian	Secretary

Management

The Board has delegated authority to conduct the day to day business to the Chief Executive Officer. The Chief Executive Officer manages day to day operations in collaborations with the Organization Management team. The team is composed of 5 Heads of Departments. The team meets regularly to discuss operational matters. These team is as shown in the following table:

S/N	Name	Position
1	Abel Lyimo	CEO
2	Lameck Kikoka	Coordinator of Projects
3	Ronald Mshana	Treasurer

7. EMPLOYEE'S WELFARE

Management – Employee's relationship

The number of employees during the reporting period decreased from 34 as of 31st January 2020 to 24 as at 31st December 2020. The organization continued to sustain harmonious relationship between the employees and management. To ensure harmonious working relations, four (4) meetings between management and staff at directorate level were held to discuss organization operations and staff related matters.

Retirement Benefits

The Organization contributes 10% of employee's basic salary to the pension scheme administered by the PPF Pension Fund, Local Authority Pension Fund (LAPF), Public Service Provident Fund (PSPF), Government Employee Pension Fund and 10% to the National Social Security Fund (NSSF) for the benefit of its employees. Furthermore, the organization contributes 10% basic salary to GEPF for employees employed under specified fixed term contract.

Leave Passage

Leave financial assistance continued to be provided to employees once a year, to assist employees in meeting travelling cost when proceeding for their annual leave.

Medical assistance

The organization provided health services to employees in form of health allowance depending on the donors agreements.

8. ENVIRONMENT CONSERVATION

In addition to planting trees and flowers within the organization surroundings in an effort to conserve the environment, management is also keen to ensure that all waste generated in the process of discharging its obligations are collected for disposal on daily basis.

9. ANTI CORRUPTION MOVES

The organization maintains transparency in conducting its business and observes good governance principles, fair public services and maximum stakeholders and other customer care.

10. GENDER BALANCE

The organization considers whoever has ability to perform at management levels and has been very keen in appointing women in various managerial levels provided that they have ability, qualification and integrity required. During the year under review, the organization had 1 female and 3 males at the Executive Management Level and 4 females and 20 males at the staff level.

11. PERSONS WITH DISABILITIES

RUDI, being an equal opportunity employer has no discrimination of whatever kind against persons with disabilities. The organization provides employment opportunities to disabled people.

12. CONTINGENT LIABILITIES

As of 31st December, 2020, the organization had no litigation proceedings relating to employees or other parties in different courts of law.

13. SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that RUDI has adequate resources to continue in operational existence for the foreseeable future.

14. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board accepts final responsibility for the risk management and internal control systems of the RUDI. 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 safeguarding of the RUDI's assets;
- Compliance with applicable laws and regulations;

- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on 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 RUDI's system is designed to provide the organization with reasonable assurance that the procedures in place are operating effectively.

15. DONATIONS

There were no charitable or political donations made during the year.

16. ACCOUNTING POLICIES

A summary of key accounting policies is in **Note 1** to the financial statements.

17. AUDITORS

MURL AATEC ASSOCIATES were engaged to be auditors of RUDI for the year ended 31st December 2020.

BY ORDER OF THE BOARD



Alex Mkindi
Chairman

Date: 6/01/2020

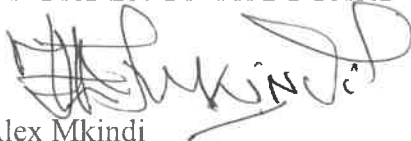
STATEMENT OF BOARD DIRECTOR'S RESPONSIBILITIES

The NGO's Act No 24 of 2002 requires RUDI to keep proper records and books of account, which should lead to the preparation of financial statements. The Board of Directors is required to prepare financial reports for each financial year that give a true and fair view of the state of affairs of the organization, its operations and sources and applications of the funds obtained during the period.

The Board of Directors accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimate in conformity with International Financial Reporting Standards and in the manner required by applicable laws. The Board of Directors is 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 operating results. The Board of Directors further accept responsibility for the maintenance of the accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls.

Nothing has come to the attention of the Board of Directors to indicate that RUDI will not remain a going concern for a foreseeable future from the date of this statement.

BY ORDER OF THE BOARD



Alex Mkindi

Chairman

RUDI Board of Directors

Date: 6/4/2021

REPORT OF THE INDEPENDENT AUDITOR

To: Alex Mkindi,
Chairman,
Board of Directors,
Rural Urban Development Initiatives,
P.O. Box 78741,
DAR ES SALAAM.

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS OF THE RURAL URBAN DEVELOPMENT INITIATIVES FOR THE YEAR ENDED 31ST DECEMBER 2020.

Unqualified Opinion

We have audited the accompanying financial statements of the Rural Urban Development Initiatives (RUDI) which comprise the statement of financial position as at 31st December 2020, statement of receipts and expenditure for the period ended 31st December 2020, summary of significant accounting policies and other explanatory notes as set out from pages 17 to 21 of this report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Rural Urban Development Initiatives as at 31st December 2020 and its financial performance for the year then ended in accordance with the International Financial Reporting Standards.

Directors' Responsibility for the financial statements

The Board of Directors of RUDI is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibilities of the Independent Auditor

My responsibility as an auditor is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with International Standards on Auditing (ISA) and such other audit procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


CPA Sigfrid Riwa
Managing Partner



MURL AATEC ASSOCIATES,
ACACIA Building, Samora Avenue,
P.O. Box 71739,
Dar es Salaam, Tanzania
Date:


FINANCIAL STATEMENTS:


**STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2020.**

	Notes	2020 USD	2019 USD
Project opening balance	7	48,048	188,936
Revenue from Donors	8	558,209	1,187,613
Amortization of grants	5	-	-
		<u>606,257</u>	<u>1,376,549</u>
Expenditure			
Personnel costs	9	176,161	522,662
Project direct costs	10	240,186	621,315
Administration costs	11	35,291	112,204
Depreciation	2	240	240
Finance costs		628	5,274
Total expenses		<u>452,508</u>	<u>1,261,695</u>
Balance C/F		153,749	114,854

Notes to the Financial Statements on pages 17 to 21 form an integral part of the financial statements.

The Financial Statements on pages 14 and 16 were approved by the Board of Directors and were signed on its behalf by:


 Alex Mkindi
 CHAIRMAN
 Date: 6/4/2021


 Abel Lyimo
 SECRETARY
 Date 6/4/2021

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST, DECEMBER 2020.**

	Notes	2020 USD	2019 USD
ASSETS			
Non-current assets			
Property Plant and Equipment	2	442	681
Current assets			
Receivables	3	-	-
Cash and bank balances	4	152,101	48,048
Total assets		152,543	48,729
ACCUMULATED FUND AND LIABILITIES			
Capital Grants		-	1
Deferred Grants		151,591	47,307
		151,591	47,307
Current liabilities			
Payables	6	952	1,421
Total capital fund and liabilities		152,543	48,729

Notes to the Financial Statements on pages 17 to 21 form an integral part of the financial statements.

The Financial Statements on pages 14 and 16 were approved by the Board of Directors and were signed on its behalf by:

Alex Mkindi

CHAIRMAN

Date: 6/4/2021

Abel Lyimo

SECRETARY

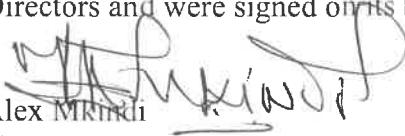
Date: 6/4/2021


**STATEMENT OF CHANGES IN
EQUITY
FOR THE YEAR ENDED 31
DECEMBER 2020**

	Deferred Income (USD) (TZS)	Total Accumulated funds(USD)
Balance at 1 January 2020	42,667	42,667
Transfer to P&L	(43,255)	(43,255)
Prior year adjustments	(1,570)	(1,570)
Balance for the year	153,749	153,749
Balance at 31 December 2020	151,591	151,591

Notes to the Financial Statements on pages 17 to 21 form an integral part of the financial statements.

The Financial Statements on pages 14 and 16 were approved by the Board of Directors and were signed on its behalf by:


Alex Mkingi
CHAIRMAN
Date: 6/4/2021


Abel Eyimo
SECRETARY
Date: 6/4/2021

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments at fair value and are in compliance with International Financial Reporting Standards (IFRS).

1.2 Changes in Accounting Policies

No Changes in accounting policy during the year.

1.3 Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Organization accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are separately disclosed in a note.

2. Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost and thereafter stated at historical cost less depreciation, less any cumulative asset impairment. Depreciation on assets is calculated on the straight-line method to write off the cost of each asset, over their estimated useful lives,

The depreciation charges are as follows:

Item	%
Computer and Accessories	33.3
Furniture and Fittings	12.5
Motor vehicles	25

NB: Only RUDI acquired assets or capital grants qualifies to be part of PPE, Project assets are disclosed separately

NOTE :2 PPE MOVEMENT

Assets	Furniture's & Fittings	Computers and Accessories	M/Vehicles	Total
Original Cost	1,833	1,156	11,769	14,758
Additions (Disposal)	-	-	-	-
Total	1,833	1,156	11,769	14,758
Depreciation rate %	13%	33%	25%	
Depreciation for the year	238	1	1	240
Acc. Depreciation as at 1/1/2020	1154	1156	11769	14,079
Acc. Depreciation as at 31/12/2020	1393	1157	11,770	14,320
Net book value	440	1	1	442

NOTE 3: RECEIVABLES

	30/12/2020	30/12/2019
	USD	USD
	-	-
TOTAL	0	0

NOTE 4: CASH AND CASH EQUIVALENT

	30/12/2020	30/12/2019
RUDI MAIN A/C	127	1,765
NAFAKA	16,323	17,188
FAO	3,770	942
OXFAM	131,103	250
COMRICE	300	3,001
FOOD TRADE	-	-
YIELDWISE	-	86
AMDT	-	165
CECE	478	24,650
TOTAL	152,101	188,936

NOTE 5: CAPITAL GRANTS

Opening balance	1	534
Amortization for the year	(1)	533
TOTAL	0	1

NOTE 6: PAYABLES

Other payables	952	1421
TOTAL	952	1,421

NOTE 7: CASH OPENING BALANCE

RUDI MAIN	1,765	28,361
NAFAKA	17,188	68,469
Food Security/FAO	943	-
OXFAM	250	10,391
YIELD WISE	86	1,728
COMRICE	3,001	4,485
FOODTRADE	-	266
AMDT	165	75,236
CECE	24,650	
TOTAL	48,048	188,936

NOTE 8: REVENUE

NAFAKA	36,885	148,797
FAO	166,011	212,147
OXFAM	266,426	98,243
YIELD WISE	0	41,751
COMRICE	7,003	303,521
FOODTRADE	-	-
AMDT	-	210,669
CECE	81,885	172,486
TOTAL	558,209	1,187,613

NOTE 9: PERSONNEL EXPENSES

NAFAKA	12,611	100,463
FAO	77,755	94,639
OXFAM	37,216	27,948
COMRICE	7,003	201,496
YIELDWISE	-	25,607
AMDT	-	38,436
CECE	41,576	34,072
TOTAL	176,161	522,661

NOTE 10: PROJECT DIRECT COSTS

NAFAKA	17,775	13,374
FAO	66,637	104,206
OXFAM	92,734	79,138
COMRICE	-	66,237
YIELDWISE	-	15,865
AMDT	-	231,661
CECE	63,041	110,834
TOTAL	240,186	621,315

NOTE 11: ADMINISTRATIVE EXPENSES

NAFAKA	7,305	38,427
FAO	18,777	13,896
OXFAM	5,300	1,257
COMRICE	2,610	38,972
YIELDWISE	-	1,716
FOODTRADE	-	-
AMDT	-	15,215
CECE	1,299	2,722
TOTAL	35,291	112,205

NOTE 12: OTHER PROJECT ASSETS

A: BRITA III

Item at costs	Cost USD
Land cruiser	67,353
MV –Cinema vehicle with accessories	56,127

B. YIELD WISE

Motor vehicle	75,890
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C. AMDT

Toyota Hilux	50,000
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NB: These assets are in the custody of RUDI for project management.

D. Project assets given to field officers are controlled by farmers' apex whose final fate will be determined at the closer of the respective project.

NOTE:13 ASSETS GIVEN TO PROJECTS

RUDI has given various assets to farmers Apex/Associations as follows:

Item	Units
Milling machines	8
Motorcycles	4
Desk top computers	3
Moisture meters	30
Weighing scales	30
Fire extinguishers	18
Camera, Laptop and Scanner	3-CECE
Computer and Accessories	5-COMRICE
Software	1- COMRICE
Furniture & Fittings	3- COMRICE
Computer and accessories	3 OXFAM
Cassava Cutting	1 OXFAM

14. Foreign currency translation

The reporting currency of RUDI is United States Dollar (USD)

Transactions that are denominated in local currency during the year were converted into Tanzania Shillings at average rate for the year. Assets and Liabilities at the balance sheet date, which are expressed in local currency, were translated into USD at the rates ruling at the reporting date (BOT rate). The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.