

**TANGANYIKA LAW SOCIETY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2022**

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**ABBREVIATIONS**

AGM	Annual General Meeting
AYL	Association of Young Lawyers
Cap	Chapter
CBA	Canadian Bar Association
CLE	Continuing Legal Education
DATF	Deceased Advocates Trust Fund
EALS	East Africa Law Society
EIA	Environmental Impact Assessment
GTZ	Government of Tanzania
IAASB	International Auditing and Assurance Standards Board
IFRS	International Financial Reporting Standards
IPPF	International Professional Practice Framework
IPSA	International Public Sector Accounting Standards
ISA	International Standards on Auditing
LAAC	Legal Aid and Advocacy Centre
LSF	Legal Services Facility
NBAA	National Board of Accountants and Auditors
NEMC	National Environment Management Council
R.E	Revised Edition
USD	United States Dollars
TLS	Tanganyika Law Society
TFRS	Tanzania Financial Reporting Standards
TZS	Tanzanian Shillings

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**GENERAL INFORMATION**

**Registered Office:**

Tanganyika Law Society,  
Plot No. 391,  
House No. 21,  
Chato Street, Regent Estate,  
P. O. Box 2148,  
Dar es Salaam.  
Tanzania.

**Main Bankers:**

NMB Bank,  
Bank House Branch,  
P. O. Box 9031,  
Dar es Salaam.  
Tanzania.

CRDB Bank,  
Tower Branch,  
PPF Tower,  
Dar es Salaam.  
Tanzania.

**Auditors:**

AUDITAX International,  
PPF Tower, 7th Floor,  
Garden Avenue / Ohio,  
Tanzania,  
Dar es Salaam.

# TANGANYIKA LAW SOCIETY

## REPORT OF THE GOVERNING COUNCIL OF TANGANYIKA LAW SOCIETY FOR THE YEAR ENDED 31ST DECEMBER 2022

### 1. INTRODUCTION

The Members of the Governing Council of Tanganyika Law Society (TLS) present this report together with the audited financial statements for the year ended 31st December 2022, which describes the results of TLS operations and its state of affairs. The Members of the Governing Council prepared the report in compliance with TFRS 1 – The report by Those Charged with Governance issued by NBAA in June 2020 and which became effective on 1st January, 2021.

The report is intended to primary users and other stakeholders by setting out analysis of the Society's operations and financial review, with a forward-looking orientation to assist primary users and other stakeholders to assess the strategies adopted by the Society and the potential for those strategies to succeed toward creating value over the short, medium- and long-term periods.

### 2. INCORPORATION

Tanganyika Law Society (TLS) is the Bar Association of Tanzania Mainland, established in 1954 by an Act of Parliament–The Tanganyika Law Society Ordinance 1954. The Tanganyika Law Society is currently governed by the Tanganyika Law Society Act, Cap 307 R.E 2002, which repealed the earlier legislation.

### 3. VISION

To become an independent bar association for a just society.

### 4. MISSION

To create a conducive environment for the legal fraternity, facilitate the acquisition of legal knowledge, represent, promote, and protect Members; to support the State Organs in legislation and administration of rule of law; and assist the Public to access justice in sustainable professional standards.

### 5. CORE VALUES

- (a) Professionalism and Solidarity,
- (b) Audacity for Rule of Law,
- (c) Integrity and Transparency,
- (d) Altruism and Volunteerism,
- (e) Respect for Diversity

### 6. SOCIETY'S OPERATIONS

Principal activity of the Society is promotion of the legal profession in Tanzania.

### 7. (A) COMPOSITION OF THE COUNCIL MEMBERS (JANUARY 2022 TO MAY 2022)

S/N	Name	Designation	Age	Profession	Nationality	Appointment date
1	Prof. Edward Hoseah	President	63	Advocate	Tanzanian	17/04/2021
2	Gloria Kalabamu	Vice President	38	Advocate	Tanzanian	17/04/2021
3	Frederick Msumali	Honorary Treasurer	53	CPA, Advocate	Tanzanian	17/04/2021
4	Denis Bwana Eliasaph	Member	31	Advocate	Tanzanian	17/04/2021
5	Godfrey Mwansoho	Member	38	Advocate	Tanzanian	17/04/2021
6	James Marenga	Member	38	Advocate	Tanzanian	17/04/2021
7	Kamaliza Kayaga	Member	64	Advocate	Tanzanian	17/04/2021
8	Ladislaus Rwekaza	Member	50	Advocate	Tanzanian	17/04/2021
9	Lenin Njau	Member	40	Advocate	Tanzanian	17/04/2021
10	Elibariki Maeda	Member	40	Advocate	Tanzanian	17/04/2021
11	Stephen Ally Mwakibolwa	Member	40	Advocate	Tanzanian	17/04/2021
12	Kaleb Lameck Gamaya	Secretary	54	Advocate	Tanzanian	n/a

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**(B) COMPOSITION OF THE COUNCIL MEMBERS (MAY 2022 to DECEMBER 2022)**

S/N	Name	Designation	Age	Profession	Nationality	Appointment date
1	Prof. Edward Hoseah	President	64	Advocate	Tanzanian	27/05/2022
2	Gloria Kalabamu	Vice President	39	Advocate	Tanzanian	27/05/2022
3	Frederick Msumali	Honorary Treasurer	54	CPA, Advocate	Tanzanian	27/05/2022
4	Edward Heche	Member	30	Advocate	Tanzanian	27/05/2022
10	Elibariki Maeda	Member	41	Advocate	Tanzanian	27/05/2022
5	Ladislaus Rwekaza	Member	51	Advocate	Tanzanian	27/05/2022
9	Lenin Njau	Member	41	Advocate	Tanzanian	27/05/2022
6	Kassim Mussa	Member	49	Advocate	Tanzanian	27/05/2022
7	Tike Mwambipile	Member	42	Advocate	Tanzanian	27/05/2022
8	John Mallya	Member	34	Advocate	Tanzanian	27/05/2022
11	Ally Nkhangaa	Member	41	Advocate	Tanzanian	27/05/2022
12	Kaleb Lameck Gamaya	Secretary	54	Advocate	Tanzanian	n/a

The Governing Council is required to meet at least four times a year whereby routine meetings are held in every quarter. However, the Governing Council may convene extraordinary meetings to discuss non-routine matters or whenever there is an urgent matter which needs consideration by the Governing Council. Accordingly, during the year ended 31<sup>st</sup>December 2022, the Governing Council which served between January and December 2022 held 4 ordinary and 5 extraordinary meetings.

The matters discussed during the meetings are summarized in the following tables.

DATE	COUNCIL AGENDA ITEM
<b>09<sup>th</sup> February 2022</b>	<b>THIRD EXTRA ORDINARY COUNCIL MEETING</b> Deliberation of TLS Financial Status
<b>17<sup>th</sup> March 2022</b>	<b>FOURTH EXTRA ORDINARY MEETING</b> 1. Implementation status, of Council Resolutions made on 09th February 2022, by the ED; 2. To approve the TLS Budget for the year 2022; 3. To discuss on preparation of the Society's Annual Conference, General Meeting and AGM; 4. Issues raised during the Council Consultative meeting with the AG's officials;
<b>22<sup>nd</sup> April 2022</b>	<b>FOURTH ORDINARY MEETING</b> 1. Confirmation of the Minutes of the 02 <sup>nd</sup> and 03 <sup>rd</sup> Ordinary Council Meeting held on 18 <sup>th</sup> and 19 <sup>th</sup> October, 2022 and 30 <sup>th</sup> November, 2022; 2. Confirmation of the Minutes of the 02 <sup>nd</sup> , 03 <sup>rd</sup> , and 04 <sup>th</sup> Extra Ordinary Meetings of the Council held on 17 <sup>th</sup> December, 2021; 09 <sup>th</sup> February, 2022; and 17 <sup>th</sup> March, 2022 respectively ; 3. To Receive Minutes of the General meeting and the Annual General meeting of the Society for the year 2021 for adoption; 4. To Receive Matters arising from the 02 <sup>nd</sup> and 03 <sup>rd</sup> Ordinary, 02 <sup>nd</sup> , 03 <sup>rd</sup> and 04 <sup>th</sup> Extra Ordinary Meetings of the Council held on 18 <sup>th</sup> and 19 <sup>th</sup> October and 30 <sup>th</sup> November 2021; 17 <sup>th</sup> December, 2021; 09 <sup>th</sup> February, 2022; and 17 <sup>th</sup> March, 2022 respectively; 5. To Receive Matters Arising from the General Meeting and the Annual General Meeting of the Society for year 2021 for adoption; 6. To Receive 04 <sup>th</sup> Quarter Progress Report for the year 2021;

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	<ol style="list-style-type: none"> <li>7. To Receive 04<sup>th</sup> Quarter Financial Progress Report for the year 2021;</li> <li>8. To Receive 04<sup>th</sup> Quarter Internal Audit Report for the year 2021;</li> <li>9. To Receive the updates on Preparation for Society's Annual Conference, General Meeting and AGM 2022;</li> </ol>
<b>23<sup>rd</sup> MAY 2022</b>	<p><b>FIFTH EXTRA ORDINARY MEETING</b></p> <ol style="list-style-type: none"> <li>1. To Endorse Online Resolutions made by Council on Documents of the AGM (Minutes and Matters Arising from the General Meeting and AGM 2021, Annual Narrative Report and Audited Financial Report for the year 2021); and Nominee of the EALS President;</li> <li>2. To Consider Motion received for the AGM 2022;</li> <li>3. To Receive Final Updates of the AGM Preparations;</li> </ol>
<b>25<sup>TH</sup> JUNE, 2022.</b>	<p><b>01ST SPECIAL MEETING</b></p> <p>Opening of the meeting and adoption of the Agenda;</p> <ol style="list-style-type: none"> <li>1. To Receive Council Charter for Approval and Signing process;</li> <li>2. To Receive Council Terms of Reference for information;</li> <li>3. To Appoint members of various TLS Committees;</li> <li>4. To Endorse Induction Resolutions;</li> <li>5. To Receive General Meeting and AGM Resolutions for noting and further directives</li> <li>6. To Receive Proposed Council Meetings Calendar for Endorsement;</li> <li>7. To Review the TLS Regulations before being sent for gazette met.</li> </ol>
<b>12<sup>TH</sup> August 2022.</b>	<p><b>FIRST AND SECOND ORDINARY MEETINGS</b></p> <ol style="list-style-type: none"> <li>1. Confirmation of the Minutes of the 04<sup>th</sup> Ordinary and 05<sup>th</sup> Extra Ordinary Meeting of the Council held on 22<sup>th</sup> April 2022 and 23<sup>rd</sup> May 2022 respectively.</li> <li>2. Confirmation of the Minutes of the Minutes of the first special meeting of the Council held on 25<sup>th</sup> June 2022.</li> <li>3. To Receive Matters arising from the Minutes of the 04<sup>th</sup> Ordinary; 05<sup>th</sup> Extra Ordinary; and first special Meeting of the Council held on 22<sup>th</sup> April 2022; 23<sup>rd</sup> May 2022; and on 25<sup>th</sup> June 2022 respectively.</li> <li>4. To receive implementation status on General Meeting and AGM 2022 Resolutions.</li> <li>5. To deliberate on staff salary negotiation and volunteers allowance.</li> <li>6. To Receive 01<sup>st</sup> and 02<sup>nd</sup> Quarter Progress Report for the year 2022.</li> <li>7. To Receive 01<sup>st</sup> and 02<sup>nd</sup> Quarter Financial Progress Report for the year 2022.</li> <li>8. To Receive 01<sup>st</sup> and 02<sup>nd</sup> Quarter Internal Audit Report for the year 2022.</li> </ol>

**8. CORPORATE GOVERNANCE**

The Governing Council is supposed to have eleven (11) members, however, this year Council served with ten (10) members as one member was appointed to serve as a Judge of the High Court. These members were all elected in the Annual General Meeting on 27<sup>th</sup> May 2022. The Council takes overall responsibility, including responsibility for identifying key risk areas, considering and monitoring secretariat decisions, considering significant financial matters, and reviewing the performance of management operational plans and budgets. The Council is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound governance principles. The Council is required to meet at least four times a year. The Council delegates the day-to-day management of the TLS operations to the Executive Director (ED) assisted by senior management team.

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The Society is committed to the principles of good governance. The Council also recognize the importance of integrity, transparency and accountability. During the year the Council had two committees, namely, the Executive Committee and Finance, Risk and Audit Committee responsible for high standard of corporate governance and financial affairs of the Society.

**Executive Committee (ExCom)**

The Executive Committee consists of the President, Vice President, Honorary Treasurer and Chairperson of the Association of Young Lawyers (AYL). The Committee plays an important role in assisting the Governing Council in carrying out the works of the Society. In addition, the Executive Committee takes on work assigned or delegated to it by the Governing Council.

The composition of the Executive Committee as at 31 December 2022 was as follows: -

<b>No.</b>	<b>Name</b>	<b>Position</b>
1.	Prof. Edward Hoseah	President
2.	Gloria Kalabamu	Vice President
3.	CPA Frederick Msumali	Treasurer
4.	Edward Heche	Chairperson AYL
5.	Kaleb Lameck Gamaya	Secretary

**Finance, Risk and Audit Committee**

The Committee is composed of eight members. The main responsibility of the Committee is to advise the Governing Council on financial management, audit, risk and compliance matters which need consideration of the Council. The Committee held three (3) meetings during the year ended 31st December 2022.

The composition of the Audit Committee as at 31st December 2022 was as follows: -

<b>SN</b>	<b>Name</b>	<b>Position</b>
1.	CPA Frederick Msumali	Chairperson
2.	CPA Nicholas Duhia	Member
3.	Casmir Nkuba	Member
4.	CPA Rwekamwa Rweikiza	Member
5.	CPA Emmanuel Kalibashubao	Member
6.	CPA Dr. Adamson Kariwa	Member
7.	CPA Stella Rweikiza	Member
8.	CPA Christopher Mageka	Member
9.	CPA John Mwang'ombola	Secretary

The matters discussed during the meetings are summarized in the following tables.

<b>DATE</b>	<b>COMMITTEE AGENDA ITEM</b>
<b>11<sup>th</sup> FEB, 2022</b>	<b>FIRST ORDINARY MEETING</b> 1. Introduction of the Committee Members. 2. Confirmation of the minutes of the 3rd Ordinary Meeting 3. Matter arising from the previous meeting 4. Presentation of the Q4 Financial Reports 5. Presentation of the 2022 Budget 6. Presentation of the Internal Audit Report for Quarter four of the year 2021 7. Discussion on External audit financial audit plan for the year ended 31 <sup>st</sup> December 2021



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<b>DATE</b>	<b>COMMITTEE AGENDA ITEM</b>
<b>9th AUG, 2022</b>	<b>SECOND ONLINE ORDINARY MEETING;</b> 1. Confirmation of the Minutes from the 1st Ordinary Meeting which was held on 11th February 2022 2. Matters Arising from the Previous Meeting. 3. Presentation of the Q1 - Q2 Financial report. 4. Presentation of the Q1 - Q2 Internal Audit Report.
<b>07th NOV, 2022</b>	<b>THIRD ONLINE ORDINARY MEETING</b> 1. Confirmations of the minutes of the previous meeting 2. Matter arising from the previous meeting 3. Discussing 1 <sup>st</sup> -3 <sup>rd</sup> Quarter Financial Reports 4. Discussion on internal audit report for third quarter

**9. RISK MANAGEMENT AND INTERNAL CONTROLS**

The Governing Council accepts final responsibility for the risk management and internal control systems of the Society. It is the task of Secretariat and management team to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- a) The effectiveness and efficiency of operations;
- b) The safeguarding of the Society's assets;
- c) Compliance with applicable laws and regulations;
- d) The reliability of accounting records;
- e) Operations sustainability under normal as well as adverse conditions; and
- f) Responsible behaviour 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 with such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Society's system is designed to provide the Council with reasonable assurance that the procedures in place are operating effectively.

The table below summarizes key risks and their mitigation action:

<b>Risks Category</b>	<b>Description of the risk</b>	<b>Comments on Mitigation</b>
Compliance and Regulatory Risk	Governance, systems, and processes fail, resulting in poor corporate governance	Council and Management oversee risk management  Alignment between risk management program to overall Operation strategy
Business continuity management or crisis management.	Failure in business operations due to inability to build alternate infrastructure/capabilities to handle emergencies	Review of Business Continuity Plans (BCPs) and Disaster Recovery Plans (DRPs) and their testing

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<b>Risks Category</b>	<b>Description of the risk</b>	<b>Comments on Mitigation</b>
Governance and Strategy	Low performance on strategic initiatives due to lack of key performance indicators/ metrics and inability to measure key performance indicators/metrics	Review of Key Performance Indicators (KPI) for strategic initiatives  Review of Council and Management oversight on strategy monitoring and evaluation

The Governing Council assessed the internal control systems throughout the financial year ended 31st December 2022 and is of the opinion that they met accepted criteria.

The Governing Council performs risk and internal control assessment through its Finance, Risk and Audit Committee.

**10. MANAGEMENT TEAM**

The management of the Society is under the Executive Director and is organized into the following departments:

- (a) Executive Director Office
- (b) Programs
- (c) Members Services
- (d) Finance
- (e) Human Resource and Administration
- (f) Corporate Secretary

Senior management team comprises the following members:

<b>Name</b>	<b>Position</b>
Mr. Kaleb L. Gamaya	Executive Director
Mr. Mackphason Buberwa	Programs Manager
Ms. Anastasia Muro	Members Services Manager
Mr. John Mwang'ombola	Finance Manager
Mr. Seleman Pingoni	Evaluation and Monitoring Officer
Ms. Mariam Othman	Corporate Secretary
TAB Consult	Outsourced Internal Audit Function

**11. FUTURE PLANS TO IMPROVE PERORMANCE**

Major focus of the Society is to ensure growth, sustainability, and successful implementation with its mandates; TLS intends to expand its projects/programs across the country, increase number of implemented Programs and start income generating initiatives. Also, with increased number of members, TLS intends to increase the number of and improve capacities of its human resources.

**12. THE COUNCIL STRATEGY**

The Council recently approved revision of the five years (2020-2024) Strategic Plan. The Strategy will have its focus on its nine objects for which TLS was established. The focus will be mainly through performance improvement, decentralized approach to Chapters growth, streamlining and automation of workflow and developing and retaining motivated staff.

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The need to develop strategic plan based on these key focus areas is driven by both financial and operational results from the past and the overall insurance market outlook. Focus over the next three years will be to improve members' services through systems automation of the workflow and devolution to chapter level.

**13. OVERALL BUSINESS PERFORMANCE AND CHALLENGES  
Members Fees Declining Trend**

The Society's Members Fees in 2022 remained almost the same as of 2021. However, the general trend members' fees have been shrinking. The decrease in member fees results from many factors, including, continuous fees reductions (in five years fees were reduced two times, in 2017 and 2020), exclusion of government/public institutions advocates from Society's operations and COVID19 pandemic.

The Table below provides a trend in the past three (3) years.

<b>Description</b>	<b>2019 000</b>	<b>2020 000</b>	<b>2021 000</b>	<b>2022 000</b>
Membership Fees	1,345,523	1,402,170	1,243,797	1,246,546
%growth/(decline)	22	4	(11)	2.21
Surplus/(deficit)	(312,244)	487,669	(782,472)	(215,182)

**14. GENERAL MEMBERS BEHAVIOUR ANALYSIS BY CATEGORIES**

The members' behavior in the Legal Fraternity in terms of members' composition and their paying patterns on a year-to-year basis is outlined in the table below;

<b>Description of Category</b>	<b>2019 000</b>	<b>2020 000</b>	<b>2021 000</b>	<b>2022 000</b>
Subscriptions Fees	1,346,364	1,402,179	1,243,797	1,246,546
CLE fees	1,054,602	707,853	916,348	936,930

**15. OPERATIONAL ENVIRONMENT**

**Political and charitable donations;**

The Society did not make any donations to charitable organizations nor did it finance political activities during the year (2022: NIL).

**Social factors;**

Tanzania has made sustained economic progress in the last decade with Gross Domestic Product (GDP) growth rate of over seven per cent (7%) per annum.

Tanzania Development Vision 2025 clearly articulates the agenda for transforming the country into one that is equitable, safe and provides an enabling environment in which children can thrive.

Tanzania had a population of 61.7 million in October 2022 which is an increased by 3.2 % between 2012 and 2022. Tanzania's population is split 49%-51% between male and female

With this significant number of populations, a need for support in areas of justice and equity becomes of critical and TLS is well positioned to assist the Government and Citizen in major legal reforms in Tanzania.

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The Society monitors the impact of its operations on the environment, which is mainly use of electrical energy, water and the generation of waste. The Society minimizes its impact through better use of its premises and inbuilt facilities to ensure that there is proper waste management.

**Technological factors**

Tanzania is undergoing a digital transformation, reflected by the growing number of people connected to communications and internet services. This is having a profound impact on the country's social, cultural, and economic frameworks, through enhanced access to key services and improved productivity and efficiency across economic sectors (including Insurance).

Many government agencies are now going digital to improve public service eventually improving the livelihood of the people, example of this would be the highly integrated fees and charges collecting infrastructure, the GePG.

Tanzania is recognized as one of the world's hubs for mobile wallets such as M-PESA, TigoPesa and the likes. According to the Tanzania Communication Regulatory Authority (TCRA), the number of internet users continues to increase, there were up to 29 million users as of June 2021. Furthermore, the number of mobile money subscriptions increased to reach 53,063,085 in April 2021, marking more than 60% of the country's population. The statistics provide wide range for our Society to leverage on this platform for operation excellence.

**Legal factors**

Amendments of the Tanganyika Law Society Act, Society's operations expanded to twenty-one (21) chapters. But on the other hand, the revenues, despite of an increase in number of new enrolled advocates yearly (with exception of 2019 and 2020), almost remained the same. The situation posed a big challenge in Society's operations.

Also, miscellaneous amendment of the Advocates Act burdened public institutions advocates as they are forced to meet membership requirements of both Bar Associations, i.e. Tanzania Public Bar Association (TPBA) and Tanganyika Law Society (TLS), including Continuing Legal Education (CLE) seminars, General Meetings, etc.

**Environmental factors**

The Society monitors the impact of its operations on the environment, which is mainly through the use of power, water and the generation of waste. The Society minimizes its impact through better use of its premises and inbuilt facilities to ensure that there is proper waste management. The agenda on urgent climate action is of importance to Tanzania as the country has been left vulnerable to rising water levels in oceans. The decreasing rainfall seasons contributes to danger of drought.

Reports indicate that in recent years the country has experienced a rise in cases arising from the environmental issues and the level of litigations are higher than years before, hence increase a need of specialized legal interventions in the area.

**16. STRATEGIC PLAN- FOCUS AREAS AND CRITICAL SUCCESS FACTORS  
Summarized below are the focus areas:**

- (a) **Finance:** Improve costs controls and a robust financial management practice.
- (b) **Members:** Improve members experience and increase sustainable growth in the services we provide to them
- (c) **Processes:** Full process automation and Streamline.
- (d) **People:** Attract, develop, and retain skilled and motivated staff.

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**17. STRATEGY DRIVERS**

**Human Resources**

The Council has the Human Resources capability to manage and implement the strategy. However, to remain the top-quality service provider to our members, additional skills may be required to achieve projected performance. This will be achieved through employee training, coaching and proper succession plan.

**Financial Resources**

The Council has responsibility to raise financial resources to implement its strategies and fulfill all obligations as they fall due.

**Structure**

Due to limited resources, the current Society structure to operate to chapter level poses a big challenge in effectively and efficiently implement the strategic initiatives laid down. However, on the other hand the internal systems and operations processes provide a conducive environment for executing the strategic implementation.

**Policy**

All required guidelines, manuals, rules, and procedures in place, are adequate to implement the strategy. However, some of the manuals and guidelines and procedures require some changes to align with the demands from both strategy and international standards.

**Employee Commitment**

Staff will be provided with feedback on the progress of the strategy implementation to ensure maximum support and commitment. Employees' involvement and other platform may be used to align and accelerate implementation by the Team.

**18. CRITICAL SUCCESS FACTORS**

The achievements of the Society can be attributed to the following: -

- a) Good corporate governance.
- b) Modern ways of management e.g., change management, risk management etc.
- c) Good reputation in the Legal Fraternity.
- d) Fast and efficient payment to our staff and vendors, except where there are financing shortcomings
- e) High quality of services from motivated staffs and satisfaction of the Society's members and the public at large.
- f) The Society is driven and guided by the core values that aim to achieve ethical and satisfied members and stakeholders' confidence based on empowerment, flexibility, efficiency, ethics and legacy.
- g) The Society offers a wide and specialized range of Services to its members and Society. These are but not limited to professional enhancement trainings, protect, and represent members, create conducive members practicing environment and facilitate renewal of practicing certificates.

**19. PERFORMANCES FOR THE YEAR**

During the year the Society recorded a deficit of TZS 215,182,092 (2021: deficit TZS 782,472,247). The Society will continue to improve its performance through provision of efficient and prompt services while carefully managing both costs and risks. The Council will also continue to focus on improving productivity and reorganizing and aligning its staffing and operations so that the Society maintains a sustainable improvement on a year-to-year basis.

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<b>Key Performance Ratios</b>		
<b>Descriptions</b>	<b>2022</b>	<b>2021</b>
Members Fees ratio (Received Fees/Total Revenue)	0.33:1	0.36:1
Other Income to Members Fees (Other Income/Total Revenue)	0.02:1	0.03:1
CLE Seminar Fee Ratio (Seminar Fees/Total Revenue)	0.24:1	0.27:1
Donor Funds Ratio (Donor Funds to Total revenue)	0.09:1	0.33:1
<b>Expenses Ratios;</b>		
Administration Expenses/Total Expenses	0.54:1	0.40:1
Staff Expenses/Total Expenses	0.46:1	0.34:1

**Liquidity**

The Society does not maintain cash resources to meet all the liabilities but maintains a balanced approach to ensure that the timing differences of cash inflows are managed properly to pay current and back log liabilities. Timely members' collections in full would ensure that the day-to-day liquidity requirements of the Society are adequately met. At the year ended 31<sup>st</sup> December 2022 the current liabilities exceeded current assets by TZS 515,944,055 (2021: 785,785,449).

**20. SERIOUS PREJUDICIAL MATTERS**

In the opinion of the Council members, there are no serious prejudicial matters that can affect the Society.

**21. SOLVENCY**

The Society's state of affairs as at 31st December 2022 is set out on page 17 of the financial statements. The financial statements have been prepared on a going concern basis on the assumption that the Society Members are committed to paying their membership fees when they fall due and that the Government and Development Partners would support TLS financially in the near future.

Currently the Society working capital is stretched and plans strategy to right size the planned revenue is able to pay for the costs and deliver quality services to its members.

**22. EMPLOYEES' WELFARE**

**Management and employees' relationship**

There was continued good relationship between employees and management for the year 2022. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and staff. The management put on hold a salary increase approved by the Governing Council in the past and laid off a number of volunteers that in a way created tension and uncertainty to staff. The management openly informed staff of the decision and consented and management believe that was an appropriate way to handle the matter.

The Society 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. The relationship between employees and management for the year 2022 continued to be satisfactory. There were no unresolved complaints received from employees by the management during the year.

**TANGANYIKA LAW SOCIETY  
STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31ST DECEMBER 2022**

**Training facilities**

During the year the Society spent TZS 2,926,710 (2021: TZS 3,892,000) for staff training in order to improve employees' technical skills and hence effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees have some form of annual training to upgrade skills and enhance development.

**Medical assistance**

All members of staff including a maximum number of four beneficiaries (dependents) for each employee were provided medical insurance guaranteed by the Society.

**Persons with disabilities**

Applications for employment by disabled persons are always considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Society continues, and appropriate training is arranged. It is the policy of the Society that training, career development and promotion of persons with disabilities should, as far as possible, be identical to that of other employees.

**Employees benefit plan**

The Society pays contributions to publicly administered pension plans on mandatory basis which qualifies to be a defined contribution plan. All permanent employees qualify for the mandatory pension plans.

**23. GENDER PARITY**

Key resources to ensure sustainability of the organizations are financial resources, the good governance by the Governing Council, skilled and experienced Secretariat members and good working environment through Wakili House and a network of Chapter Offices.

The Society's recruitment policy is to give equal opportunity to all people on recruitment process to fill vacant employment posts. Thus, the Society does not discriminate between male and female applicants to the vacant posts. In this regard, great care is taken when implementing the policy in order to ensure that education/professional qualifications, competencies and key attributes which are the basic criteria for selection and appointment, is not compromised.

As at 31st December 2022, the Society had a total of 24 employees, out of which 14 were female and 10 were male (2021: 32 employees, out of which 19 were female and 13 male).

<b>Description</b>	<b>31st December 2022</b>	<b>Percentage (%)</b>	<b>31st December 2021</b>	<b>Percentage (%)</b>
Male employees	11	41	13	41
Female employees	16	59	19	59
<b>Total employees</b>	<b>27</b>	<b>100</b>	<b>32</b>	<b>100</b>

**24. RELATED PARTY TRANSACTIONS**

Transactions during the year with related parties were conducted at terms and conditions similar to those offered to other clients and in the normal course of business i.e., arm's length. Details of transactions and balances with related parties are included in Note 21 to the financial statements.

**25. CORPORATE RELATIONSHIPS WITH STAKEHOLDERS**

The Society continued to maintain a good relationship with all stakeholders and the Government.

**TANGANYIKA LAW SOCIETY  
STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31ST DECEMBER 2022**

**26. SOCIAL RESPONSIBILITY (CSR)**

The Society continues to assist the less privileged members of our society. During the year TLS members were assigned a total of 102 dock briefs by the Judiciary to represent clients in criminal cases.

Furthermore, TLS provided legal assistance to 263 beneficiaries. Chapters are instrumental in the provision of legal aid through the legal aid week and events organized as social responsibility giving back to society. Ilala Chapter organized and held a special legal aid activity at Kisutu Resident Magistrate Court. Whereas the Arusha Chapter participated in the CSO Week and provided legal aid to people at Mbauda area, Kilombero, Market, Tengeru Market, USA River Market and Ngarananyuki.

**27. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements set out on pages 17 to 42 were approved at a meeting of Council Members on 06<sup>th</sup> May 2023.

**28. AUDITORS**

Auditax International were the Auditors of the Society for the year ended 31st December 2022. This was the first year of their appointment as approved in the members annual general meeting (AGM) in 2022.

<b>Name of Auditor</b>	Auditax International
<b>Physical Address</b>	Garden Avenue Tower, 7 <sup>th</sup> Floor
<b>Firms Registration</b>	PF 222
<b>TIN Number</b>	110-747-985
<b>Appointment of the auditor and rotation requirement</b>	The auditor Auditax International, has expressed willingness to continue in office and is eligible for re-appointment.

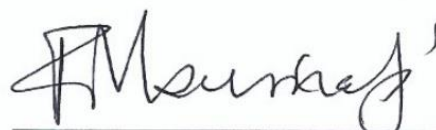
**29. RESPONSIBILITIES BY THE GOVERNING COUNCIL**

The Governing Council accept responsibility for preparing these financial statements which show a true and fair view of the Society to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Society.



**Prof. Edward Hoseah  
President**

**05<sup>th</sup> May 2023**



**CPA Frederick Msumali  
Chairman of the Finance,  
Audit and Risk Committee  
and A member of the Council**

**05<sup>th</sup> May 2023**



**TANGANYIKA LAW SOCIETY  
STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31ST DECEMBER 2022**

The Governing Council is required to prepare financial reports for each financial year that give a true and fair view of the state of affairs of the Society, its operations and sources and applications of the funds obtained during the year. The Governing Council is also responsible for safeguarding the assets of the Society.

The Governing Council handles preparation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the Tanganyika Law Society Act, Cap 307 R.E 2002 as amended, which repealed the earlier legislation and such internal controls as the Council determines are necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error.

The Governing Council accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable judgments and estimates in conformity with the International Public Sector Accounting Standards (IPSAS) and in the manner required by applicable laws. The Governing Council is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Society and of its operating results. The Governing Council further accepts 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.

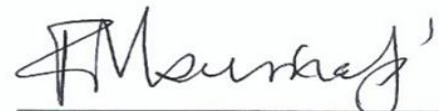
The Governing Council certifies that to the best of their knowledge and belief, the information furnished to Auditors for the purpose of the audit was correct and complete in every respect. Nothing has come to the attention of the Governing Council to show that the Tanganyika Law Society will not remain a going concern for a foreseeable future from the date of this statement. Details about the Governing Council's assessment of going concern is included in Note 2 to the financial statements.

Signed on behalf of the Council by:



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**Prof. Edward Hoseah  
President**



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**CPA Frederick Msumali  
Chairman of the Finance, Audit  
and Risk Committee and A  
member of the Council**

**05<sup>th</sup> May 2023**

**05<sup>th</sup> May 2023**

**TANGANYIKA LAW SOCIETY  
DECLARATION OF THE FINANCE MANAGER  
FOR THE YEAR ENDED 31ST DECEMBER 2022**

The National Board of Accountant and Auditors (NBAA) according to the power conferred under the Auditor and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statement to be accompanied with a declaration issued by the Head of Finance unit responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Council members to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity 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 Members of the Council as per the statement of Council members' responsibility statement on an earlier page.

I, John Mwang'ombola being the Finance Manager of Tanganyika Law Society (TLS) acknowledge my responsibility of ensuring that financial statements for the year ended 31<sup>st</sup> December 2022 have been prepared in compliance with International Public Sector Accounting Standards (IPSAs) and the requirements of the Tanganyika Law Society Act, Cap 307 R.E. 2002.

I, thus confirm that the financial statements give a true and fair view position of Tanganyika Law Society on that date and that they have been prepared based on properly maintained financial records.



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**CPA John Mwang'ombola**

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**05<sup>th</sup> May 2023**  
**Date**

Registration number: GA 1125  
For and on behalf of Tanganyika Law Society  
Dar es Salaam.

Date: 05<sup>th</sup> May 2023

## **Independent Auditor's Report To the Governing Council of Tanganyika Law Society**

### **Report on the Audit of the Financial Statements For the financial year ended 31 December 2022**

#### **Opinion**

We have audited the financial statements of the Tanganyika Law Society (TLS), set out on pages 17 to 42, which comprise the statement of financial position as at 31 December 2022, and the statement of financial performance, statement of changes in net asset and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as of 31<sup>st</sup> December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the TLS Act CAP 307R.E.2002.

#### **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 society 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.

#### **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<sup>st</sup> December 2022.

#### **Other Information included in the Governing Council Annual Report**

The other information comprises the Society Information, The Governing Council Information, Statement of Those Charged with Governance and Declaration by the Finance Manager. The other information does not include the financial statements and our auditor's report thereon. The Governing Council members are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.



**TANGANYIKA LAW SOCIETY**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>ASSETS</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b><u>TZS</u></b>	<b><u>TZS</u></b>
<b>Non-current assets</b>			
Property and equipment	<b>22</b>	<b>4,529,503,927</b>	4,672,234,441
Intangible assets	<b>23</b>	<b>8,000,000</b>	8,000,000
		<b><u>4,537,503,926</u></b>	<u>4,680,234,441</u>
<b>Current assets</b>			
Trade and other receivables	<b>24</b>	<b>128,524,551</b>	85,913,043
Stocks – Law report books		<b>206,668,015</b>	207,884,951
Cash and bank balances	<b>25</b>	<b>542,731,640</b>	383,864,138
<b>Total current assets</b>		<b><u>877,924,206</u></b>	<u>677,662,132</u>
<b>Total Assets</b>		<b><u>5,415,428,132</u></b>	<u>5,357,896,272</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	<b>26</b>	<b>522,711,734</b>	451,904,106
Member’s subscription received in advance		<b>678,979,238</b>	559,481,092
WAKILI Project retention		<b>72,773,425</b>	72,773,425
Designated Members Contributions Account	<b>27</b>	<b>11,331,251</b>	3,969,873
Deferred grants for donor funded projects	<b>28</b>	<b>108,072,613</b>	115,841,532
<b>Total Current Liabilities</b>		<b><u>1,393,868,261</u></b>	<u>1,203,970,027</u>
<b>Non-Current Liabilities</b>			
DATF Loan	<b>29</b>	<b>354,100,657</b>	474,100,658
Provision for Loan Interest		<b>189,490,263</b>	144,830,197
<b>Total Liabilities</b>		<b><u>543,590,920</u></b>	<u>618,930,855</u>
<b>Equity</b>			
Capital fund		<b>1,910,000</b>	1,910,000
Capital Grants from Members (WAKILI House)	<b>30</b>	<b>3,974,738,348</b>	3,816,582,726
General accumulated reserves		<b>(1,101,109,344)</b>	(885,927,253)
Revaluation reserves		<b>602,429,948</b>	602,429,947
<b>Total equity</b>		<b><u>3,477,968,952</u></b>	<u>3,534,995,421</u>
<b>Total equity and liabilities</b>		<b><u>5,415,428,132</u></b>	<u>5,357,896,272</u>

The financial statements were approved by the Governing Council on 04<sup>th</sup> May 2023 and were signed on its behalf by:



Prof. Edward Hoseah  
**President**



CPA Advocate Frederick Msumali  
**Honorary Treasurer**

**TANGANYIKA LAW SOCIETY**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>Notes</u>	<b>2022</b> <u>TZS</u>	2021 <u>TZS</u>
<b>INCOME</b>			
<b>Revenue from non-exchange</b>			
Membership subscription fees	<b>31</b>	<b>1,246,546,961</b>	1,243,797,185
Net project income	<b>32</b>	<b>231,772,587</b>	168,415,272
Exchange gain		<u>2,630,254</u>	<u>2,630,254</u>
		<b><u>1,478,319,549</u></b>	<u>1,414,842,711</u>
<b>Revenue from exchange</b>			
Continuing legal education fees	<b>33</b>	<b>941,630,722</b>	869,666,544
Other income	<b>34</b>	<b>98,392,107</b>	107,596,847
		<u>1,040,022,830</u>	<u>977,263,391</u>
		<b><u>2,518,342,378</u></b>	<u>2,392,106,102</u>
<b>EXPENSES</b>			
Administration expenses	<b>35</b>	<b>(1,431,584,237)</b>	(1,833,040,019)
Personnel expenses	<b>36</b>	<b>(1,301,940,234)</b>	(1,346,758,865)
<b>Total</b>		<u><b>(2,733,524,470)</b></u>	<u>(3,179,798,883)</u>
<b>Surplus/(Deficit) for the year</b>		<u><b>(215,182,092)</b></u>	<u>(787,692,782)</u>

The financial statements were approved by the Governing Council on 04<sup>th</sup> May 2023 and were signed on its behalf by:



Prof. Edward Hoseah  
**President**



CPA Advocate Frederick Msumali  
**Honorary Treasurer**

**TANGANYIKA LAW SOCIETY**

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Capital Fund</b>	<b>General Accumulated Reserves</b>	<b>Capital grant from members contribution</b>	<b>Revaluation Reserve</b>	<b>Total</b>
<b><u>For the year ended 31 Dec, 2022</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>
As at 1 <sup>st</sup> January 2022	1,910,000	(885,927,281)	3,816,582,726	602,429,947	<b>3,534,995,392</b>
Wakili Expenditures			158,155,622		<b>158,155,622</b>
Surplus /(Deficit)		(215,182,092)	-	-	<b>(215,182,092)</b>
<b>As at 31st December 2022</b>	<b><u>1,910,000</u></b>	<b><u>(1,101,109,373)</u></b>	<b><u>3,974,738,348</u></b>	<b><u>602,429,947</u></b>	<b><u>3,477,968,922</u></b>
<b><u>For the year ended 31 December 2021</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>
As at 1st January 2021	1,910,000	(98,234,497)	3,528,690,255	602,429,947	4,034,795,704
Wakili Expenditures			287,892,471		287,892,471
Deficit		(787,692,783)	-	-	(787,692,783)
<b>As at 31st December 2021</b>	<b>1,910,000</b>	<b>(885,927,281)</b>	<b>3,816,582,726</b>	<b>602,429,947</b>	<b>3,534,995,392</b>

**TANGANYIKA LAW SOCIETY****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	2021
	<b><u>TZS</u></b>	<u>TZS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts of subscription fees	<b>1,925,526,199</b>	1,329,036,277
Receipts from development partners		
Seminar fees	<b>941,630,722</b>	918,579,944
Receipts from sale of publications and sponsorship	<b>98,392,107</b>	113,514,847
<b>PAYMENTS</b>		
Payments to employees	<b>(1,192,747,507)</b>	(1,217,417,428)
Refund to Development Partners	<b>(17,052,480)</b>	
Payments to suppliers of goods and services	<b>(1,622,947,899)</b>	(2,515,619,739)
<b>Net cash generated from operating activities</b>	<b><u>132,801,143</u></b>	<u>(281,232,978)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for construction of WAKILI house		
Acquisition of property and equipment	<b>(34,438,400)</b>	(45,186,930)
<b>Net cash used in investing activities</b>	<b><u>(34,438,400)</u></b>	<u>(45,186,930)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Receipts from development partners</b>	<b>1,411,051,938</b>	1,090,673,122
<b>Payments made from donor funds</b>	<b>(1,401,735,179)</b>	
Movement in the DAFT Loan	<b>(120,000,000)</b>	(10,000,000)
Members' contribution received for WAKILI House	<b>171,188,000</b>	268,667,666
<b>Net cash received from financing activities</b>	<b><u>60,504,759</u></b>	<u>258,667,666</u>
Net (decrease) /increase in cash and cash equivalents	<b>158,867,502</b>	(67,752,214)
Cash and cash equivalents at the beginning of the year	<b>383,864,138</b>	451,616,381
<b>Cash and cash equivalents at the end of the year</b>	<b><u>542,731,640</u></b>	<u>383,864,167</u>



**TANGANYIKA LAW SOCIETY**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>Revenue</b>	<b>Note</b>	<b>Amount</b>	<b>Budget</b>	<b>Variance</b>	<b>Var.%</b>
Subscription Fees	1	1,246,546,961	1,534,550,002	(288,003,041)	(19%)
CLE Seminar fees	2	941,630,722	2,359,377,000	(1,417,746,278)	(60%)
Other Income	3	98,392,107	234,840,001	(136,447,894)	(58%)
Project Net Income	4	231,772,587	430,256,668	(198,484,081)	(46%)
<b>Total Revenue</b>		<b>2,518,342,378</b>	<b>4,559,023,672</b>	<b>(2,040,681,294)</b>	<b>(45%)</b>
<b>Expenditures</b>					
Programme Costs	5	660,800,405	843,546,500	182,746,095	22%
Chapter Expenses	6	211,063,885	1,042,928,000	831,864,115	80%
AYL Expenses	7	9,452,710	324,360,000	314,907,290	97%
Staff Costs	9	1,301,940,234	1,396,533,115	94,592,881	7%
Operating Expenses	10	550,267,236	582,274,996	32,007,760	5%
<b>Total Expenditures</b>		<b>2,733,524,470</b>	<b>4,189,642,611</b>	<b>1,456,118,142</b>	<b>35%</b>
<b>Surplus/(Deficit) for the Period</b>		<b>(215,182,091)</b>	<b>369,381,061</b>	<b>584,563,152</b>	<b>158%</b>

**Explanation of variation of budget amount versus actual amount:**

**1. Subscription Fees;**

Eighty one (81%) of the budget in this area was collected. Apart voluntary payment of the fees, management also took measures to ensure that members pay their membership fees. These measures included sending reminders, publishing names in the newspapers, taking defaulters names to the Chief Justice for further actions, etc.

**2. CLE seminars;**

Only forty percent (40%) of the budget from this area was collected. This phenomenon was mainly contributed by minimal number of seminars conducted at chapter level. Collections budget from seminars conducted at chapter level was TZS 1,071,877,000 compared to actual collections of TZS 104,018,367 (10%). On the other hand, CLE seminar budget at Head Office was TZS 1,217,500,000 against actual collections of TZS 837,612,355 (69%).

Poor collections from this area, especially at chapter level, was mainly contributed by lack of personnel to conduct the seminars. Daily activities at chapter level were conducted by volunteers whose, due to financial constraints, contracts were terminated in April 2022.

**3. Other Income**

Only forty two percent (42%) of the budget was collected from this area. The main reason being most of the sources which were expected to contribute to this source did not perform well. These sources include sell of Law Reports, Guiding Notes and advertisements in the directory. Currently, most of the contents of the Law Reports and Guiding Notes are found online free of charge.

Because of lack of funds advertisements collection for the directory did not take place, hence no collections were realized from this source.

## TANGANYIKA LAW SOCIETY

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

#### 4. **Project Net Income**

This is the difference between total received funds and funds which are specifically for implementation of the intended project. Total received funds include administration and contributions towards personnel expenses. The difference forms net income from projects implemented during the year under review.

#### 5. **Chapter Budgets**

The currently Society's governance structure requires operations to go to chapter level. But operations to chapter level with limited resources poses a big challenge to the Society. Operations to chapter level in such situation is only limited to some few chapters affording to conduct statutory members' and committees' meetings as well as some administration expenses only. Most of the chapters cannot afford to run their offices.

#### 6. **Programme Expenses**

Programme expenses were seventy-eight percent (78%) of the budget. Twenty-two percent (22%) of the budget was not implemented due lack of funds.

#### 7. **Budget for chapter expenses**

Only twenty percent (20%) of the chapter budget was implemented. As stated earlier, the situation was mainly caused by lack of funds and personnel to implement activities at chapter level.

#### 8. **Association of young lawyers (AYL)**

AYL is a new organ in the Society's structure. It was established in late 2020 to provide opportunities for the assimilation of young lawyers into the profession as well as a training ground for future leaders of the Society. AYL membership is open to all advocates who have been admitted in the Roll for less than five years, or are 35 years old or younger. From mentor programs, to organizing charity events, to networking, to fighting to improve the image of advocates in general, AYL has a wide array of activities. However, during the year under review only three percent of the budget was implemented. Main reason being lack of funds to implement planned activities.

#### 9. **Staff Costs**

Staff costs were ninety-three percent (93%) because of volunteers and five staff resigned during the year.

#### 10. **Operating Expenses**

The office remained operational during the year leading to almost a hundred percent utilization of the budget in this area.

# TANGANYIKA LAW SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. GENERAL INFORMATION

Tanganyika Law Society was established in 1954 under Tanganyika Law Society Ordinance CAP 307. The Tanganyika Law Society is currently governed by the Tanganyika Law Society Act, Cap 307 R.E. 2002 that repealed the earlier legislation. Its registered address is:  
Plot No. 391, House No. 21, Chato Street,  
Regent Estate, P.O. Box 2148,  
Dar es Salaam, Tanzania.

### 2. GOING CONCERN

The Society recorded a deficit in operating activities of TZS (215,182,091) (2020: a deficit of TZS 787,692,782). The management believes that with the current operating model with development partners, the Society will be able to create more surplus in the future to complement its operating cash inflows. The Governing Council members believe that the Society will continue as a going concern on the following grounds:

- Applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.
- The Governing Council has a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. The current ratio at year end was 0.55:1 (2020: 0.46:1).
- Members have a legal obligation to pay their annual membership fees as a requirement for them to continue practicing. As a result, no doubt that the funding of the Society for its operating activities shall continue in a foreseeable future.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

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

These financial statements have been prepared in compliance with the IPSAS and under the historical cost convention, except for recognition of revenue from members which is on cash basis. The preparation of financial statements in conformity with IPSAS which require the use of estimates and assumptions. The financial statements are presented in Tanzania Shillings, which is the functional and reporting currency of the Society. The financial statements are prepared on accrual basis unless stated otherwise. The cash flow statement is prepared using the direct method.

It also requires management to exercise its judgment in the process of applying the Tanganyika Law Society's accounting policies. The areas involving a higher judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

## **TANGANYIKA LAW SOCIETY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

#### **4. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance and comply with International Public Sector Accounting (IPSAS), as issued by the International Public Sector Accounting Standards Board (IPSASB) except for revenue recognition from members as explained above, and comply with the provisions of the Tanganyika Law Society Act, CAP 307 R.E. 2002.

#### **5. ADOPTION OF THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)**

The Society, applied for the first-time, certain standards and amendments relevant to it, which are effective for the first time on annual periods beginning on or after 1st January 2021.

### **CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

#### **a) New and revised standard**

In the current year, the organization applied all relevant International Public Sectors Accounting Standards (IPSASs) issued by the International Public Sectors Accounting Standards Board (IPSASB) that are mandatory effective for accounting periods that begin on 1st January 2022.

#### **IPSAS 41, Financial Instruments**

In August 2018, IPSASB released IPSAS 41. This standard establishes new requirements for classifying, recognizing and measuring financial instruments replacing IPSAS 29, Financial Instruments: Recognition and measurement. The objective of this standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing, and uncertainty of an entity's future cash flows. The key difference between IPSAS 29 and IPSAS 41 is that IPSAS 29 lacks classification of financial assets and financial liabilities. On the other hand, IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The effective date of IPSAS 41 is 1st January, 2022, with earlier adoption encouraged. IPSAS 41 is applied retrospectively in accordance with IPSAS 3, Accounting Policies, Change in Accounting Estimates and Errors unless specific conditions are met. Management has assessed the requirement of this standard on the organization's financial reports and is of the opinion that the adoption of this standard do not have significant impact in financial statements of the organization because currently the organization do not held the instruments which met the definition of financial instrument as per IPSAS 41.

## TANGANYIKA LAW SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### **b) New standards that are not yet effective and have not been early adopted by the organization**

##### **IPSAS 42, Social Benefit**

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits as defined in this Standard. The information provided should help users of the financial statements and general-purpose financial reports assess:

- (a) The nature of such social benefits provided by the entity;
- (b) The key features of the operation of those social benefit schemes; and
- (c) The impact of such social benefits provided on the entity's financial performance, financial Position and cash flows.

To accomplish that, this IPSAS establishes principles and requirements for:

- (a) Recognizing expenses and liabilities for social benefits;
- (b) Measuring expenses and liabilities for social benefits;
- (c) Presenting information about social benefits in the financial statements; and
- (d) Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for social benefits. This Standard applies to a transaction that meets the definition of a social benefit. This Standard does not apply to cash transfers that are accounted for in accordance with other Standards.

The effective date of IPSAS 42 is 1st January 2023, with earlier adoption encouraged. The IPSASB selected this effective date in part because it expects to be able to finalize the proposed amendments included in ED 67, Collective and Individual Services and Emergency Relief (Amendments to IPSAS 19) in time for those amendments to have the same effective date. The standard was early adopted by the organization during the accounting period. The expected impact of this standards to the organization's financial reports is currently remote because the organization has no policy relating to social benefits.

##### **IPSAS 43, Leases**

IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model for lessee to be applied to all leases (i.e., all leases are treated as finance leases), whilst retaining the same approach for lessors (i.e., finance and operating leases). Lessees will be recognizing a right-of-use asset and a lease liability on the commencement of a lease. The asset is initially recognized at the amount of the lease liability plus initial direct costs; it is subsequently measured using the cost model unless the underlying asset is investment property measured at fair value or PPE measured under the revaluation model. The liability is initially measured at the present value of the lease payments over the lease term, discounted at the rate implicit in the lease or incremental borrowing rate.

On the other hand, Lessors classify leases as either operating or finance leases depending on whether all risks and rewards incidental to ownership of the leased assets have been substantially transferred to the lessee.

## TANGANYIKA LAW SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Further, IPSAS 43 provides an exemption to leases with a term of fewer than 12 months and leases for which the lease asset is of low value. In this case lease payments are recognized as an expense on a straight-line basis, or another systematic basis, over the lease term (i.e., operating lease treatment). IPSAS 43 will replace IPSAS 13 for reporting periods beginning on or after 1st January 2025 with early adoption encouraged. On its adoption, the impact to the organization's financial statement will be the increase in total assets due to the recognition of Right of Use asset and the increase in liabilities which represent the present value of future rental payments.

#### **IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations**

The Standard requires assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. IPSAS 44 becomes effective for the reporting periods beginning on or after 1st January 2025 with early adoption encouraged. On its adoption, this standard is expected to have an insignificant effect on the financial statements of the organization as transactions of non-current assets held for sale and discontinued operations are very rare at TLS.

## **5. RECOGNITION OF REVENUE**

### **Revenue from Exchange Transactions**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized;

#### Membership subscription fees

Members' subscription income is accounted for on a cash basis. Members' subscriptions paid in advance are matched and recognized in the accounting period to which they relate.

#### CLE Seminar Fees

The CLE fees are received from the members who pay to attend refresher trainings conducted as part of Continuing Legal Education (CLE). Members are required to attain a minimum of ten (10) CLE points per annum to renew their practicing certificates. These are accounted for as per actual collections.

### **Revenue from Non-exchange transactions**

#### Project income (Grants and donations)

Grants and donations are recognized where there is reasonable assurance that they will be received and all attaching conditions will be complied with.

When the grant or donation relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant or donation relates to an asset, the fair value is credited to a deferred income account and is released to the statement of income and expenditure over the expected useful life of the relevant asset by equal annual instalments.

## TANGANYIKA LAW SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### Net trading income and other income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading. Other income is recognized in the period in which it is earned.

#### **6. RECOGNITION OF EXPENSES**

The effects of expenses are recognized when they occur (and not as cash or its equivalent is paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

#### **7. EMPLOYEES' BENEFITS INCLUDING POST-EMPLOYMENT BENEFITS**

Short-term employment benefits such as salaries and social security contributions are recognized in the statement of income and expenditure when they fall due.

#### Post-retirement benefits

The Society operates a defined contribution plan whereby each of its employees and the Society contribute 10% of employee basic salary in respect of National Social Security Fund (NSSF). Apart from these monthly contributions, the Society has no further commitments or obligations to the Funds and it has no other post-retirement benefit scheme. The contributions are charged to the statement of profit or loss and other comprehensive income in the year to which they relate.

#### Other employee benefits

The Society provides free medical treatment to staffs and their dependents through a medical scheme at designated hospitals. The cost is charged to the statement of profit or loss and other comprehensive income.

#### **8. PROVISIONS**

Provisions are recognized when the Society has a present legal or constructive obligation because of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Society expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### **9. TRADE AND OTHER RECEIVABLES**

Trade and other receivables are measured at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Society cannot collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. The amount of the provision is recognized in the statement of comprehensive income and expenditure. Society has transferred substantially all risks and rewards of ownership.

## TANGANYIKA LAW SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### 10. DEFERRED GRANTS AND CONTRIBUTIONS

Grant received in monetary form to meet project expenses is treated as income and expensed to the statement of financial performance in the respective financial year. Where intended project activities in respect of the grant received are not implemented at year end, the respective income is treated as deferred grant.

#### 11. TRADE AND OTHER PAYABLES

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

#### 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, deposits held at call with banks and investments with maturity periods of three months or fewer in money market instruments.

#### 13. IMPAIRMENT OF FINANCIAL ASSETS

The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or group financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment because of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) impacts the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Society first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Society determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. If, in a 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 previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statement of comprehensive income.

#### 14. DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES ABILITIES

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:



## TANGANYIKA LAW SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

- The rights to receive cash flows from the asset have expired;
  
- The Society retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
  
- The Society has transferred its rights to receive cash flows from the asset and either;
  - (a) Has transferred substantially all the risks and rewards of the asset, or
  
  - (b) Has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Society has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Society's continuing involvement in the asset.

#### Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income and expenditure.

### **15. FOREIGN CURRENCY TRANSLATION**

#### Functional and presentation currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates ("the functional currency"). The financial statements are presented in Tanzanian Shilling (TZS), which is the Society's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into Tanzanian Shilling (TZS) 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 year-end exchange rates of monetary assets (bid price) and liabilities (offer price) denominated in foreign currencies are recognized in the statement of income and expenditure.

### **16. VALUE ADDED TAX**

Expenses and assets are recognized inclusive of the amount of value added tax.

### **17. INCOME TAX**

Tanganyika Law Society is established as a Society by an Act of Parliament. Because of being a members' association and a, the Society is exempted from paying corporation tax.

## TANGANYIKA LAW SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### 18. PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost amount less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly because of acquisition of the items. When significant of property, plant and equipment are required to be replaced at intervals; the Society recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All repair and maintenance costs are recognized in surplus or deficit as incurred.

Depreciation is calculated on a straight-line basis over the useful life of the assets. The annual rates of depreciation which have been consistently applied are:

<u>Description</u>	<u>Useful life (years)</u>	<u>Depreciation rate</u>
Land	-	0%
Building	40	2.5%
Office furniture and fittings	8	12.5%
Computers, printers, and scanners	3	33.3%
Machinery and Equipment	8	12.5%
Library Books	8	12.5%
Accounting Package	3	33.3%
Motor Vehicles	4	25%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances show that the carrying value may not be recoverable.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognized. The residual values, useful lives and methods of depreciating property and equipment are reviewed, and adjusted if appropriate, at each financial year end.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income and expenditure. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### 19. LEASES

Leases entered into by the Society are operating leases. The total payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. When an operating lease is ended before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

However, during the year, there were no lease payments as TLS occupies its own building.

# TANGANYIKA LAW SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

### 20. FINANCIAL RISK MANAGEMENT

#### Financial risk factors

The Society's activities expose it to a variety of financial risks, including market risk and credit risk. The Society's overall risk management Program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance, but the Society does not hedge any risks.

#### a) Market risk

##### (i) Foreign exchange risk

The Society's activities expose it to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars. Foreign exchange risk arises from future commercial transactions, and recognized assets and liabilities.

If at 31 December 2021 the exchange rate were to change by  $\pm 10\%$ , then the net results of the Society would change by TZS 2,630,254 (2020: TZS 4,539,708). Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies.

##### (i) Interest rate risk

The Society had no borrowings at year end. Thus, the Society had no interest rate risk at year end.

#### b) Credit risk

Credit risk arises from deposits with banks, as well as trade and other receivables. The Society does not have any significant concentrations of credit risk.

The amount that best represents the Society's maximum exposure to credit risk at 31 December 2022 and 2021 is made up as follows:

	<b>Fully performing TZS</b>
<b>As at 31st December 2022</b>	
Receivables (excluding prepayments) (Note 31)	121,785,837
Cash at bank (Note 32)	542,731,640
<b>Gross financial assets</b>	<b><u>664,517,477</u></b>
<b>As at 31st December 2021</b>	
Receivables	66,096,737
Cash at bank	383,864,138
<b>Gross financial assets</b>	<b><u>465,558,468</u></b>

No collateral is held for any of the above assets. The Society has banking relationships with reputable banks which rank in the top ten of total assets.

#### c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

**TANGANYIKA LAW SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

The table below analyses the Society's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Between 1 and 2 years TZS</b>
<b>Year ended 31<sup>st</sup> December 2022</b>	
Payable (Note 26)	<u><u>522,711,734</u></u>
<b>Year ended 31<sup>st</sup> December 2021</b>	
Payable	<u><u>446,683,569</u></u>

**21. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances, Property and equipment. Critical estimates are made by the Governing Council in determining depreciation rates for equipment and their residual values. The rates used are set out in note 3 above.

(ii) Impairment of trade receivables

Critical estimates and judgments are made by the Governing Council in determining impairment provision for bad and doubtful trade receivables.

**TANGANYIKA LAW SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**22. PROPERTY AND EQUIPMENT**

	<b>Land</b>	<b>Building</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Library Books</b>	<b>Machinery &amp; Equipment</b>	<b>Computers</b>	<b>Total</b>
	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>
<b>COST</b>								
<b>At 31 Jan, 22</b>	<b>476,600,000</b>	4,112,156,389	236,254,181	102,050,761	21,897,200	252,340,981	241,870,095	<b>5,443,169,606</b>
<b>Additions</b>			34,438,400					<b>34,438,400</b>
<b>At 31 December 2022</b>	<b>476,600,000</b>	<b>4,112,156,389</b>	<b>270,692,581</b>	<b>102,050,761</b>	<b>21,897,200</b>	<b>252,340,981</b>	<b>241,870,095</b>	<b>5,477,608,006</b>
<b>Acc. depreciation</b>								
At 1 January 2022		205,607,819	122,473,315	81,800,761	21,897,200	132,052,269	207,103,800	<b>770,935,164</b>
Charge for the year		102,803,910	23,080,355	2,250,000		24,809,020	24,225,630	<b>177,168,915</b>
<b>As at 31<sup>st</sup> December 2022</b>		<b>308,411,729</b>	<b>145,553,671</b>	<b>84,050,761</b>	<b>21,897,200</b>	<b>156,861,289</b>	<b>231,329,430</b>	<b>948,104,080</b>
<b>Net Book Value</b>	<b>476,600,000</b>	<b>3,803,744,659</b>	<b>125,138,911</b>	<b>18,000,000</b>		<b>95,479,692</b>	<b>10,540,665</b>	<b>4,529,503,927</b>
<b>COST</b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>	<b><u>TZS</u></b>
At 1 January 2021	476,600,000	4,112,156,389	211,244,181	102,050,761	21,897,200	238,494,051	235,540,095	<b>5,397,982,677</b>
Additions		-	25,010,000			13,846,930	6,330,000	<b>45,186,929</b>
<b>At 31 December 2021</b>	<b>476,600,000</b>	<b>4,112,156,389</b>	<b>236,254,181</b>	<b>102,050,761</b>	<b>21,897,200</b>	<b>252,340,981</b>	<b>241,870,095</b>	<b>5,443,169,606</b>
<b>Acc. depreciation</b>								
At 1 January 2021		102,803,910	104,755,381	79,550,761	21,897,200	108,966,223	173,954,720	<b>591,928,195</b>
Charge for the year		102,803,909	17,717,934	2,250,000		23,086,046	33,149,080	<b>179,006,970</b>
<b>At 31 December 2021</b>	<b>-</b>	<b>205,607,819</b>	<b>122,473,315</b>	<b>81,800,761</b>	<b>21,897,200</b>	<b>132,052,269</b>	<b>207,103,800</b>	<b>770,935,165</b>
<b>Net Book Value</b>	<b>476,600,000</b>	<b>3,906,548,569</b>	<b>113,780,866</b>	<b>20,250,000</b>	<b>-</b>	<b>120,288,712</b>	<b>34,766,295</b>	<b>4,672,234,441</b>

**TANGANYIKA LAW SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**23. INTANGIBLE ASSETS**

<u>Cost</u>	<u>2022</u> <u>TZS</u>	<u>2021</u> <u>TZS</u>
At start of the year	<u>66,234,610</u>	<u>66,234,610</u>
	<u>66,234,610</u>	<u>66,234,610</u>
 <b><u>Accumulated amortization</u></b>		
At start of the year	<u>58,234,610</u>	<u>58,234,610</u>
Amortization charge	<u>-</u>	<u>-</u>
At 31 <sup>st</sup> December	<u>58,234,610</u>	<u>58,234,610</u>
<b>Carrying value</b>	<b><u>8,000,000</u></b>	<b><u>8,000,000</u></b>

**24. TRADE AND OTHER RECEIVABLES**

Customer control Account	<b>12,650,000</b>	29,625,000
Staff advances and imprests	<b>2,628,925</b>	(6,286,464)
Prepaid expenses	<b>6,938,716</b>	19,816,305
Chapters imprests	<b>74,724,361</b>	42,740,933
TIAC Debt	<b>31,582,550</b>	-
	<b><u>128,524,552</u></b>	<b><u>85,895,774</u></b>

**25. CASH AND BANK BALANCES**

Cash in hand	<b>174,419</b>	199,883
CRDB Bank – TZS Accounts	<b>130,840,450</b>	264,340,194
ECO Bank – TZS Account	<b>3,608,168</b>	3,743,168
Exim Bank – TZS Accounts	<b>17,890,490</b>	56,360,739
KCB Bank – TZS Account	<b>245,544</b>	225,604
NBC –TZS Account	<b>1,901,239</b>	540,273
NMB –TZS Account	<b>7,602,243</b>	22,519,426
NMB A/C NO 20110048257 - ACT 2 Project	<b>223,934</b>	-
TPB Bank – TZS Account	<b>31,391,963</b>	30,236,017
TLS M PESA Collection Account	<b>632,780</b>	632,780
CRDB Bank - USD Accounts	<b>20,260,601</b>	1,096,182
AYL - CRDB – 0133660923500	<b>11,760,700</b>	-
Chapter Accounts	<b>304,867,858</b>	-
CRDB TZS Account (WAKILI House)	<b>11,331,251</b>	3,969,873
	<b><u>542,731,640</u></b>	<b><u>383,864,138</u></b>

**TANGANYIKA LAW SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**26. TRADE AND OTHER PAYABLES**

Trade payables	<b>222,790,770</b>	220,388,678
Vodacom Control Account	<b>3,599,107</b>	-
Accounting / Audit Fee Accrual	<b>23,720,000</b>	23,220,537
Tax Provision Account	<b>2,005,665</b>	-
DATF Contribution Payable	<b>1,343,229</b>	1,129,129
Social Security Contribution Payable	<b>86,080,043</b>	56,733,561
PAYE, SDL & Other Taxes Payable	<b>68,438,690</b>	77,309,009
HESLB Staff Loans Payable	<b>5,231,625</b>	9,866,335
WCF Payable	<b>5,252,771</b>	7,324,300
TLS Staff Contribution	<b>1,164,800</b>	3,625,000
MO Insurance Contribution from Members	<b>2,611,944</b>	791,253
Advocates Secured Stamps	<b>29,130,586</b>	23,192,876
Staff Gratuity	<b>71,342,502</b>	28,323,428
	<b>522,711,734</b>	451,904,106

**27. DESIGNATED MEMBERS CONTRIBUTIONS ACCOUNT**

<b>Actual contributions:</b>	<b>2022</b>	<b>2021</b>
At 01st January	<b>3,969,873</b>	23,194,678
Contributions received during the year	<b>171,188,000</b>	268,667,666
<b>Funds available in the bank accounts for use</b>	<b>175,157,873</b>	291,862,344
Payments to the contractor interest claim during the year		(207,338,628)
Other Expenditures	<b>(43,826,621)</b>	(70,553,843)
DATF Loan repayment	<b>(120,000,001)</b>	(10,000,000)
<b>Total payments made during the year</b>	<b>(163,826,622)</b>	(287,892,471)
<b>Balance as at 31st December</b>	<b>11,331,251</b>	3,969,873

TANGANYIKA LAW SOCIETY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

28. DEFERRED REVENUE GRANTS - DEVELOPMENT PARTNERS

Description	As at 1 January 2022	Funds received during the year	Transfer to Grant Income during the year	Transfer to Donor during the year	As at 31 December 2022
	<u>TZS</u>	<u>TZS</u>	<u>TZS</u>	<u>TZS</u>	<u>TZS</u>
CBA Grant	56,360,739	322,020,069	(314,931,845)		63,448,963
Global Road Safety Project-Advocacy for OISEA	14,017,859		(14,017,859)		-
ACT2	52,306,518				52,306,518
	(6,843,585)	1,089,031,869	(1,072,785,475)	(17,052,480)	(7,649,671)
	<b>115,841,530</b>	<b>1,411,051,938</b>	<b>(1,401,735,179)</b>	<b>(17,052,480)</b>	<b>108,105,810</b>

Description	As at 1 January 2021	Funds received during the year	Transfer to Grant Income during the year	Transfer to Donor during the year	As at 31 December 2021
	<u>TZS</u>	<u>TZS</u>	<u>TZS</u>	<u>TZS</u>	<u>TZS</u>
CBA Grant	109,067,405	221,212,966	(273,919,632)	-	56,360,739
IRI	-	6,411,708	(6,411,708)	-	-
Global Road Safety Project- Advocacy for Railway Children Africa-RCA	538,563	14,049,297	(570,000)	-	14,017,859
OISEA	(313,907)	-	-	-	(313,907)
PACT	(71,527,908)	171,367,501	(47,219,168)	-	52,620,425
ACT2	-	19,349,120	(19,349,120)	-	-
IFES	140,931,949	558,966,000	(691,675,716)	(15,065,818)	(6,843,585)
	2,181,469	99,316,532	(101,498,001)	-	-
	<b>180,877,571</b>	<b>1,090,673,121</b>	<b>(1,140,643,345)</b>	<b>(15,065,818)</b>	<b>115,841,530</b>



**TANGANYIKA LAW SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**29. DATF LOAN;**

This is a loan from Deceased Advocates Trust Fund (DATF) an organ within TLS, which was requested by the Governing Council to support construction works for WAKILI house.

	<b>2022</b>	2021
	<b>TZS</b>	TZS
Opening Balance at 01 <sup>st</sup> January	<b>618,930,855</b>	484,100,658
Add: Receipts		
Provision for interest	<b>44,660,066</b>	144,830,197
<b>Total</b>	<b>663,590,921</b>	628,930,855
Less: Loan Repayments	<b>(120,000,000)</b>	(10,000,000)
<b>Loan Balance at 31<sup>st</sup> December</b>	<b>543,590,921</b>	618,930,855

**30. CAPITAL GRANTS FROM MEMBERS (WAKILI HOUSE)**

Capital grant comprises members' contributions towards the construction of WAKILI house that have been paid out to the Project to date. The total amount that has been spent towards WAKILI house out of the total contributions to date amounts to TZS 3,986,069,599. (2021: 3,551,884,933) The following table provides movements of the capital grant towards WAKILI house.

	<b>2022</b>	2021
	<b>TZS</b>	TZS
Total value of WAKILI capital expenditures as at 31 <sup>st</sup> January	<b>3,816,582,726</b>	3,528,690,255
Add: Expenditures During the year	<b>158,155,622</b>	287,892,471
<b>Amount contributed by TLS members as at 31<sup>st</sup> December</b>	<b>3,974,738,348</b>	<b>3,816,582,726</b>

The full amount of capital expenditure in connection with WAKILI house in the year under review has been capitalized and grant amortizations will commence effectively after the contractors closes project account.

**31. MEMBERSHIP SUBSCRIPTION FEES**

	<b>2022</b>	2021
	<b>TZS</b>	TZS
Membership subscription fee – practicing	<b>1,191,236,161</b>	1,232,546,666
Membership subscription fee - non practicing	<b>55,310,800</b>	11,250,519
	<b>1,246,546,961</b>	1,243,797,185

**TANGANYIKA LAW SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

	<b>2022</b>	2021
<b>32. PROJECT INCOME</b>		
Global Road Safety Project income	<b>14,017,859</b>	1,115,000
CBA – SIRD	<b>314,931,845</b>	273,919,632
Open Society Initiatives for Eastern Africa (OSIEA)	-	47,219,168
IRI	-	6,411,708
PACT	-	19,349,120
AcT2- (KPMG ADVISORY LIMITED)	<b>1,072,785,475</b>	691,675,716
The International Foundation for Electoral		101,498,001
<b>Total Income</b>	<b><u>1,401,735,179</u></b>	<b><u>1,141,188,345</u></b>
<b>Less: PROJECT EXPENSES</b>		
OISEA - Project Cost		47,411,668
SIRD – CBA	<b>269,003,225</b>	156,047,691
Global Road Safety Project income	<b>14,017,859</b>	1,115,000
IRI	-	6,730,000
PACT	-	16,037,620
ACT2 TANZANIA	<b>886,941,508</b>	670,761,704
INTERNATIONAL FOUNDATION ELECTORAL SYSTEM	-	74,669,390
<b>TOTAL PROJECT EXPENSES</b>	<b><u>1,169,962,593</u></b>	<b><u>972,773,073</u></b>
<b>NET PROJECT INCOME</b>	<b><u>231,772,586</u></b>	<b><u>168,415,272</u></b>

**33. CONTINUING LEGAL EDUCATION FEES**

	<b>2022</b>	2021
Other CLE	<b>446,089,465</b>	473,206,873
AGM CLE fee	<b>234,474,627</b>	228,296,070
Professional Diversity Conference	<b>137,328,029</b>	159,665,002
AYL Seminar Fee	<b>19,720,234</b>	-
Mtwara Chapter CLE Seminars	<b>3,188,000</b>	560,000
Mwanza Chapter CLE Seminars	<b>30,454,949</b>	1,980,000
Mbeya Chapter CLE Seminars	-	980,000
Arusha Chapter CLE Seminar	<b>11,056,949</b>	4,600,000
Pwani Chapter CLE seminars	<b>2,152,500</b>	390,000
Shinyanga Chapter CLEs	<b>11,060,000</b>	5,760,000
Kigoma Chapter CLEs	<b>840,000</b>	-
Temeke Chapter CLEs	<b>3,670,020</b>	9,214,000
Morogoro Chapter CLEs	-	160,000
Dodoma Chapter CLEs	<b>12,636,949</b>	4,809,999
Kinondoni Chapter CLEs	<b>1,112,000</b>	3,100,000
Kigamboni Chapter CLEs	<b>10,002,000</b>	160,000
Tanga CLE Seminars	<b>645,000</b>	260,000
Tabora Chapter CLEs	<b>980,000</b>	6,740,000
Kagera Chapter CLEs	<b>940,000</b>	10,240,000
Ruvuma Chapter CLEs	-	1,620,000
Iringa Chapter CLEs	-	441,000
Ilala Chapter CLEs	<b>14,320,000</b>	3,205,000
Kilimanjaro Chapter CLEs	<b>960,000</b>	200,000
Ubungo Chapter CLEs	-	760,000
<b>Total</b>	<b><u>941,630,722</u></b>	<b><u>916,347,944</u></b>

**TANGANYIKA LAW SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**34. OTHER INCOME**

	<b>2022</b>	2021
	<b><u>TZS</u></b>	<u>TZS</u>
Sponsorships	<b>46,437,000</b>	24,785,000
Advertisement(Various TLS Media)		4,470,000
Legal Aid Registration Fee	<b>2,447,500</b>	2,220,000
Forums (networking events)	<b>799,715</b>	6,491,000
Wakili Online TV (Advertisements)	<b>8,107,759</b>	1,000,000
Various Sources	<b>13,888,239</b>	14,656,642
TLS Guiding Notes	<b>7,247,000</b>	35,896,500
Sale of T-Shirts and Caps	<b>235,000</b>	9,913,500
Wakili House Conference Hall	<b>13,176,160</b>	5,500,000
MO Insurance Admin Contribution	<b>1,422,934</b>	2,664,205
Chapter Other Income	<b>4,630,800</b>	-
<b>Total</b>	<b><u>98,392,107</u></b>	<u>107,596,847</u>

**TANGANYIKA LAW SOCIETY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****35. ADMINISTRATIVE EXPENSES**

<b>Descriptions</b>	<b>2022 TZS</b>	<b>2021 TZS</b>
Members Welfare	<b>9,136,809</b>	5,548,600
TLS Institutional Membership	<b>10,258,100</b>	1,330,900
Committee Expenses	<b>34,998,377</b>	31,191,300
Continuing Legal Education (CLE) Seminar	<b>144,250,216</b>	100,477,600
Publication and Publicity Expense	<b>16,437,214</b>	22,737,330
Annual General Meeting (AGM) Expenses	<b>238,140,837</b>	318,438,571
Advocate Rule of Law, access to justice		8,350,000
Cost of Sales	<b>2,166,238</b>	9,097,935
Law week expenses		9,056,604
Election Expenses	<b>17,100,000</b>	23,778,490
Programme Travel and Accommodation	<b>3,296,001</b>	6,893,400
Capacity Building Expenses'	<b>2,788,211</b>	3,892,000
Governing Council Expenses	<b>80,397,431</b>	94,143,874
Production Costs-TLS Law Reports		600,000
Chapters Expenses	<b>211,063,885</b>	131,544,493
Exhibition Expenses	<b>1,767,370</b>	
Planning Meeting Expenses	<b>3,354,377</b>	22,398,844
Probono Expenses	<b>7,800,000</b>	5,120,000
Advocate Rule of Law, access to justice	<b>20,499,733</b>	
TLS Guiding Notes Production Cost		3,503,900
Merchandise Expenses		11,035,000
WAKILI ONLINE tv expenses	<b>7,039,300</b>	2,146,400
Resource Mobilization Expenses	<b>6,910,000</b>	600,000
Media Engagement Training		1,800,000
Business Development Expenses		3,100,000
Rent and Rates	<b>9,151,760</b>	282,500
Electricity Expenses	<b>22,637,925</b>	24,272,347
Professionals Diversity Conference	<b>54,460,191</b>	121,064,930
Generator Fuel	<b>7,460,478</b>	4,861,932
Kitchen Supplies	<b>8,656,574</b>	13,789,257
Motor Vehicle Repairs	<b>4,111,720</b>	8,003,510
Repair and Maintenance	<b>21,248,769</b>	26,161,425
Water charges	<b>15,814,850</b>	4,352,258
Printing and Stationary	<b>6,516,955</b>	43,629,311
Security Expenses	<b>13,432,632</b>	19,860,097
Communication Expenses	<b>22,825,486</b>	27,161,164
Advertising Expenses	<b>15,505,813</b>	11,693,718
Transport Expenses-e.g. Taxi,	<b>8,899,633</b>	9,692,317
Consultancy fees	<b>8,398,513</b>	15,254,593

## TANGANYIKA LAW SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### Bank Charges

	<b>30,912,523</b>	25,373,025
Insurance Premium Expenses	<b>8,550,600</b>	33,244,190
Internet Charges	<b>192,875</b>	8,481,630
Staff Membership fees	<b>9,212,589</b>	2,773,932
Depreciation Expenses	<b>177,168,914</b>	179,006,970
Travel and Accommodation Expenses	<b>5,357,358</b>	1,934,500
Other Expenses	<b>24,633,660</b>	8,466,152
External Audit Expenses	<b>16,520,001</b>	17,200,000
Internal Audit Expenses	<b>16,432,500</b>	16,520,000
Motor Vehicle Fuel Expenses	<b>8,281,416</b>	3,078,564
Provision for DATF Loan interest	<b>44,660,066</b>	144,830,197
Asset Coding Expenses	-	272,770
Staff Welfare Expenses	<b>778,000</b>	9,226,160
Support ICT systems (Consultancy)	<b>15,893,967</b>	3,233,996
Office General cleanness	<b>13,532,344</b>	17,011,363
Interest to contractor	-	207,338,628
License fee	<b>2,944,795</b>	2,662,362
Newspapers and Periodicals Subscriptions	<b>274,519</b>	360,681
AYL Expenses	<b>9,452,710</b>	-
New Advocates Admission Expenses	<b>10,260,000</b>	11,775,000
<b>Total</b>	<b><u>1,431,584,235</u></b>	<b><u>1,839,294,039</u></b>

#### 36. PERSONNEL EXPENSES

##### Staff Costs

	<b>2022</b>	<b>2021</b>
	<b>TZS</b>	<b>TZS</b>
Staff Salaries	<b>976,745,500</b>	951,249,570
Social Security Contributions Expenses	<b>120,605,754</b>	105,848,989
Staff Medical Insurance Expenses	<b>60,929,009</b>	28,203,347
Interns and Volunteers Allowances	<b>62,550,000</b>	182,659,000
SDL Expenses	<b>42,028,392</b>	50,648,801
Staff Fuel Allowance	<b>20,856,476</b>	18,955,761
WCF Expenses	<b>6,160,687</b>	9,193,397
Staff Gratuity Expenses	<b>12,064,416</b>	-
<b>Total</b>	<b><u>1,301,940,234</u></b>	<b><u>1,346,758,865</u></b>

#### 37. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are being related if one party can control the other party or exercise significant influence over the other party in making financial or operational decisions. The volume of related party transactions for the year was as follows:

# TANGANYIKA LAW SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

### 38. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly. The Society's key management is the Executive Director and the Finance Manager. Compensation of the Society's key management personnel include basic salary, transport allowance and telephone allowance.

The compensation paid to key management personnel and Governing Council members is shown below;

	<b>2022</b>	2021
	<b><u>TZS</u></b>	<u>TZS</u>
<b>(a) Key management personnel:</b>		
Salary and short-term benefits	<b>394,313,616</b>	447,481,396
Monthly contributions towards defined plan.	<b>39,431,362</b>	44,748,140
	<b><u>433,744,978</u></b>	<u>492,229,536</u>
<b>(b) Governing Council Members:</b>		
Transport allowance	<b>9,749,000</b>	7,268,500
Members annual fees	<b>8,023,700</b>	12,540,000
	<b><u>17,772,700</u></b>	<u>19,808,500</u>

### 39. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

#### Capital commitments

There were no capital commitments entered by the Society as at year end.

#### Contingent liabilities

There were no contingent liabilities as at year end.

### 40. PENDING LEGAL CASES'CLAIM CONTINGENCIES

There were no pending legal cases at year end (2021: No legal cases).

### 41. REVALUATION SURPLUS

During the period under review no revaluation has been done.

### 42. COMPERATIVE FIGURES

Comparative figures in these financial statements have been reclassified where appropriate to make them comparable with the current year's figures and financial disclosures.

### 43. EVENTS AFTER THE REPORTING PERIOD

There are no known events that have impacted on the results for the year and the statement of affairs of the Society after the reporting date.