SEMA

SUSTAINABLE ENVIRONMENT MANAGEMENT ACTION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2025

TABLE OF CONTENTS

1. ORGANIZATION INFORMATION

The Organization is incorporated in Tanzania under the Non-Governmental Organizations Act, 2002 and domiciled in Tanzania. The Organization has a Certificate of Compliance No. 1594 issued under the NGOs Act, 2002 on 9th March, 2006.

Organisation Name:	Sustainable Environment Management Action (SEMA)
Registration:	Registered under the Societies Ordinance Cap. 337 on 10th March 1998
NGO Compliance No.:	Certificate No. 1594 — NGOs Act, 2002 (S11G), issued 9th March 2006
Principal Place:	P.O. Box 365, Singida, Tanzania

Bankers

CRDB Bank Plc:	P.O. Box 135, Singida, Tanzania
NMB Bank Plc:	P.O. Box 1040, Singida, Tanzania

Auditors

Firm:	LAGHE Consult
Designation:	Certified Public Accountants
Address:	Plot No. 354/64, Bridge/India St., 3rd Floor — Co-Architecture Bldg
Postal Address:	P.O. Box 33031, Dar es Salaam, Tanzania

2. REPORT OF THE MEMBERS

FOR THE YEAR ENDED 31ST DECEMBER 2025

Introduction & Background

The MEMBERS present this report and the financial statements for the financial year ended 31st December 2025, which disclose the state of affairs of the organisation. Sustainable Environment Management Action (SEMA) is a Singida-based Non-Governmental Organisation (NGO) which strives to fight poverty and environmental degradation in the rural areas of the poor and marginalised communities of Singida Region.

SEMA was registered under the Societies Ordinance Cap. 337 on 10th March 1998. The organisation was also awarded a Certificate of Compliance No. 1594 for Non-Governmental Organisations under the NGO Act, 2002 (S11G) on 9th March 2006.

Principal Activities

SEMA implements an integrated community development project focusing on Water and Sanitation, Natural Resources Management and Rural Development in the rural areas of Singida Region, paying special attention to disadvantaged groups, through facilitating dialogue on issues such as access and ownership of resources, the management and flow of information as well as good governance and human rights. SEMA stimulates and supports the villagers' own initiatives and efforts to solve their problems.

The main objective of the organisation is to support community initiatives to tackle their own economic, social and environmental problems. Specifically, SEMA works towards:

1. Village empowerment in terms of organisation and governance.
2. Improved health and availability of safe and sustainable water.
3. Improved attitudes towards environmental protection.
4. Increased household income and economic activity.

Goals

1. Improving health and quality of life amongst the rural poor communities through integrated water, sanitation and hygiene interventions.
2. Promoting good governance through improving accountability and transparency of CBOs, local government and other development actors in rural communities.
3. Promoting economic growth in rural communities through income generating activities.

Organisation Vision

A socially and economically empowered society able to manage its environment sustainably.

Organisation Mission

Promoting socio-economic and environment improvement of rural communities through natural resources management, water, hygiene and sanitation and natural development interventions.

Composition of the Board of Members

The MEMBERS of the organisation at the date of this report who have served, except where otherwise stated, are:

Full Name	Contact	Sex	Title
Ms. Agnes Amos	Phone: 0755025190	F	**Board Chairperson**
Ivo Manyaku	Phone: 0754595638	M	Secretary
Eng. Patrick Nzamba	Phone: 0769232622	M	Board Member

Christowaja Barnabas	Phone: 0767909455	F	Board Member
Fredrick Ndahani	Phone: 0757622794	M	Board Member
Adv. Cosmas Luambano	Phone: 0752814687	M	Board Member
Genes Suku	Phone: 0756347270	M	Board Member

Corporate Governance

The Board of SEMA consists of seven MEMBERS. Apart from the Chairperson, no other members hold executive positions in the organisation. The Board takes overall responsibility for the organisation, including responsibility for identifying key risk areas, considering and monitoring investment decisions, reviewing significant financial matters, and reviewing the performance of management against project plans and budget.

The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles. The Board delegates the day-to-day management of the projects to the General Manager.

Ms. Agnes Amos
Chairperson
Date: 14/04/2026

SUSTAINABLE ENVIRONMENT MANAGEMENT ACTION
SEMA
BOX 365 SINGIDA

3. DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTING

Declaration of the Head of Finance/Accounting of SEMA

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

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

Full legal responsibility for the preparation of financial statements rests with the Board of Members/Governing Body as stated under the Members' Responsibility Statement on an earlier page.

I HENERICO MATHIAS NZIKU being the Head of Finance/Accounting of SEMA hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31st December 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view of the position of SEMA as at 31st December 2025 and that they have been prepared based on properly maintained financial records.

Signature: ....

Name: HENERICO MATHIAS NZIKU

Position: FINANCE MANAGER

NBAA Membership No.: ....

Date: 14/04/2026

LAGHE CONSULT

REPORT OF THE INDEPENDENT AUDITORS

To the Members of SUSTAINABLE ENVIRONMENTAL MANAGEMENT ACTION

Report on the Financial Statements

Opinion

We have audited the financial statements of SUSTAINABLE ENVIRONMENTAL MANAGEMENT ACTION, which comprise the statement of financial position as at 31 December, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 12.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SUSTAINABLE ENVIRONMENTAL MANAGEMENT ACTION as at 31 December, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the NGOs Act No. 24 of 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). We are independent of the NGO in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Members' Responsibility for the Financial Statements

The NGO's Members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the NGOs Act No. 24 of 2002, and for such internal control as the owner determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Head Office:
Plot No. 354/64 2nd Floor Co-Architecture Building, Bridge/India Street
P.O Box 33031 Dar es Salaam -Tanzania

Branch Office
Uhuru street, IMUCU Bldg Ground Floor.
P.O Box 783 Iringa -Tanzania

+255 22 213 7731 | +255 754 293 892 info@lagheconsult.co.tz Lbulondo@lagheconsult.co.tz www.lagheconsult.co.tz

LAGHE CONSULT

Report of the Independent Auditors

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the Enterprise owner as a body in accordance with the NGOs Act No. 24 of 2002 and for no other purposes.

As required by the NGOs Act No. 24 of 2002 we report to you, based on our audit, that:

- **(i)** we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- **(ii)** in our opinion proper books of account have been kept by the NGOy, so far as appears from our examination of those books;
- **(iii)** the NGO's statement of financial position and the profit and loss account are in agreement with the books of account;
- **(iv)** the Trustees report is consistent with the financial statements; and
- **(v)** information specified by law regarding owner's remuneration and transactions with the enterprise is disclosed.

LAGHE CONSULT • PF 234 P. O. BOX 33031 DAR ES SALAAM • CERTIFIED PUBLIC ACCOUNTANTS & AUDITORS

Leopold Bulondo – ACPA PP-898
Engagement Partner,
LAGHE CONSULT
Certified Public Accountants & Auditors

Date: 14th April, 2026 .

LC/AR/260411/SN/100721899-0060

Head Office:
Plot No. 354/64 2nd Floor Co-Architecture Building, Bridge/India Street
P.O Box 33031 Dar es Salaam -Tanzania

Branch Office
Uhuru street, IMUCU Bldg Ground Floor.
P.O Box 783 Iringa -Tanzania

+255 22 213 7731 | +255 754 293 892 info@lagheconsult.co.tz Lbulondo@lagheconsult.co.tz www.lagheconsult.co.tz

5. STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2025

(All amounts in Tanzanian Shillings — TZS)

	2025	2024			
	SEMA OTHER TZS	SATF TZS	GENTU TZS	MAJI SAFI TZS	TOTAL TZS
ASSETS					
Non-Current Assets					
Plant, Property & Equipment (Note 2)	20,265,625	0	0	0	20,265,625
Total Non-Current Assets	**20,265,625**	**0**	**0**	**0**	**20,265,625**
Current Assets					
Other Current Assets (Note 1)	1,000,000	-	-	4,461,794	5,461,794
Cash and Cash Equivalents (Note 2)	-	7,754,227	1,768,581	1,841,469	11,364,277
Total Current Assets	**1,000,000**	**7,754,227**	**1,768,581**	**6,303,263**	**16,826,071**
TOTAL ASSETS	**21,265,625**	**7,754,227**	**1,768,581**	**6,303,263**	**37,091,696**
EQUITY & LIABILITIES					
Equity (Note 3)	(9,620,281)	-	-	-	(9,620,281)
Accumulated Surplus / (Deficit)	-	-	-	-	-
TOTAL EQUITY	**(9,620,281)**	**0**	**0**	**0**	**(9,620,281)**
Current Liabilities					
Other Current Liabilities (Note 4)	30,885,906	7,754,227	1,768,581	6,303,263	46,711,976
TOTAL CURRENT LIABILITIES	**30,885,906**	**7,754,227**	**1,768,581**	**6,303,263**	**46,711,976**
TOTAL EQUITY & LIABILITIES	**21,265,625**	**7,754,227**	**1,768,581**	**6,303,263**	**37,091,696**

Ms. Agnes Amos
Chairperson
Date: 14/04/2026

6. STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31ST DECEMBER 2025

(All amounts in Tanzanian Shillings — TZS)

	2025	2024 TZS				
	SEMA OTHER TZS	MVC/SATF TZS	GENTU TZS	MAJI SAFI TZS	TOTAL TZS	TOTAL TZS
INCOME						
Income from Donors (Note 5)	626,132	49,380,100	133,373,951	140,724,464	324,104,647	377,081,077
TOTAL INCOME	**626,132**	**49,380,100**	**133,373,951**	**140,724,464**	**324,104,647**	**377,081,077**
EXPENDITURE						
Payroll Costs (Note 6)	-	-	44,688,341	10,522,665	55,211,006	109,875,029
Other Programme Expenditure (Note 7)	493,319	49,380,100	88,685,610	130,201,799	268,760,829	267,206,048
Depreciation (Note 2)	132,813	-	-	-	132,813	265,625
TOTAL EXPENDITURE	**626,132**	**49,380,100**	**133,373,951**	**140,724,464**	**324,104,647**	**377,346,702**
SURPLUS / (DEFICIT) FOR THE YEAR	**-**	**-**	**-**	**-**	**-**	**(265,625)**

Abayd

Ms. Agnes Amos
Chairperson
Date: 19/04/2026

7. CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2025

(All amounts in Tanzanian Shillings — TZS)

	2025 TZS	2024 TZS
OPERATING ACTIVITIES		
Surplus / (Deficit) for the Year	20,091,806	(265,625)
Adjustments — Depreciation	132,813	265,625
Operating Cash Flow Before Working Capital Changes	**20,224,619**	-
Changes in Working Capital:		
(Increase) / Decrease in Trade and Receivables	(1,000,000)	(39,046,054)
(Increase) / Decrease in Trade and Other Payables	46,711,976	2,569,862
Prior Period Adjustment	9,620,281	40,636,815
Net Cash Generated from Operations (A)	**55,332,257**	**4,160,623**
INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-	-
Net Cash Used in Investing Activities (B)	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	**75,556,876**	**4,160,623**
Cash and Cash Equivalents — Beginning of Year	39,380,039	35,219,415
Cash and Cash Equivalents — End of Year	**114,936,915**	**39,380,038**

Abayd

Ms. Agnes Amos
Chairperson
Date: 14/04/2026

8. FIXED ASSETS SCHEDULE

AS AT 31ST DECEMBER 2025

(All amounts in Tanzanian Shillings — TZS)

Description	Land TZS	Motor Vehicle TZS	TOTAL TZS
Depreciation Rate	0% (Non-Depreciable)	25% p.a.	
COST / VALUATION			
Balance as at 01 January 2025	20,000,000	531,250	20,531,250
Additions during the year	-	-	-
Disposals / Adjustments	-	-	-
Balance as at 31 December 2025	**20,000,000**	**531,250**	**20,531,250**
ACCUMULATED DEPRECIATION			
Balance as at 01 January 2025	-	132,813	132,813
Charge for the Year	-	132,813	132,813
Balance as at 31 December 2025	**-**	**265,625**	**265,625**
NET BOOK VALUE as at 31 December 2025	**20,000,000**	**265,625**	**20,265,625**

9. NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2025

Note 1 — Other Current Assets

Other Current Assets	SEMA OTHER / SNV / AFYA YANGU TZS	SATIF TZS	GENTU TZS	MAJI SAFI TZS	TOTAL TZS
Maji Safi	-	-	-	-	-
Staff Imprest	-	-	-	-	-
Inter Project Balance	-	-	-	4,461,794	4,461,794
Donor Account Receivable	1,000,000	-	-	-	1,000,000
Small Loans Granted	-	-	-	-	-
TOTAL	**1,000,000**	**-**	**-**	**4,461,794**	**5,461,794**

Note 2 — Cash and Bank Balances

Cash and Bank Balances	SEMA OTHER TZS	SATIF TZS	GENTU TZS	MAJI SAFI TZS	TOTAL TZS
NMB Bank Account	-	-	1,768,581	1,841,469	3,610,050
CRDB Bank Account	-	7,754,227	-	-	7,754,227
TOTAL	**-**	**7,754,227**	**1,768,581**	**1,841,469**	**11,364,277**

Note 3 — Equity / Accumulated Surplus

Equity / Accumulated Surplus	2025 TZS	2024 TZS
Accumulated Surplus b/f	(29,712,087)	(29,712,087)
Net Income / (Deficit) for the Year	20,091,807	(265,625)
TOTAL EQUITY	**(9,620,281)**	**(29,977,712)**

Note 4 — Current Liabilities

Current Liabilities	SEMA OTHER TZS	SATF TZS	GENTU TZS	MAJI SAFI TZS	TOTAL TZS
Juma Saidi (Loan Payable)	10,174,178	-	-	-	10,174,178
Ivo Manyaku (Loan Payable)	19,844,540	-	-	-	19,844,540
Other Payables and Accruals	867,188	7,754,227	1,768,581	6,303,263	16,693,258
TOTAL CURRENT LIABILITIES	**30,885,906**	**7,754,227**	**1,768,581**	**6,303,263**	**46,711,976**

Note 5 — Income from Donors

Income represents grants received from various donors during the year for implementation of the following projects:

Income from Donors	SEMA OTHER TZS	MVC/SATF TZS	GENTU TZS	MAJI SAFI TZS	TOTAL TZS
Funds from Donor / Grant	626,132	49,380,100	133,373,951	140,724,464	324,104,647
TOTAL INCOME FROM DONORS	**626,132**	**49,380,100**	**133,373,951**	**140,724,464**	**324,104,647**
Prior Year Comparative (2024)	**-**	**34,534,805**	**143,065,438**	**37,290,523**	**377,081,077**

Note 6 — Payroll Costs

Payroll costs include gross salaries, NSSF employer contributions, Workers' Compensation Fund (WCF) and Skills Development Levy (SDL).

Payroll Costs	SEMA OTHER TZS	GENTU TZS	MAJI SAFI TZS	TOTAL TZS
Gross Salaries	-	27,354,960	12,019,005	39,373,965
Managing Director	-	2,287,467	-	2,287,467
Programme Coordinator	-	5,963,193	-	5,963,193
Accountant	-	3,975,462	-	3,975,462
M&E Officer	-	5,300,613	-	5,300,613
Project Officer 1 (FSL)	-	4,969,323	-	4,969,323
Project Officer 2 (WASH)	-	2,208,588	-	2,208,588
Driver	-	2,650,311	-	2,650,311
NSSF Employer Contributions	-	2,733,696	-	2,733,696
Workers' Compensation Fund (WCF)	-	200,771	45,951	246,722
Skills Development Levy (SDL)	-	155,506	438,771	594,277
TOTAL PAYROLL COSTS	**-**	**44,688,341**	**10,522,665**	**55,211,006**
Prior Year Comparative (2024)	**-**	**42,038,029**	**27,143,400**	**109,875,029**

Note 7 — Other Programme Expenditure

Other programme expenditure covers all non-payroll project costs including travel, administration, programme activities, construction, and bank charges.

Other Programme Expenditure	SEMA OTHER TZS	MVC/SATF TZS	GENTU TZS	MAJI SAFI TZS	TOTAL TZS
Auditing Fee	-	-	2,000,000	-	2,000,000
1.6.1 · Travel Cost	-	-	8,593,690	12,645,000	21,238,690
1.6.4 · Training Cost	-	-	-	-	-
1.6.5 · Goods / Assets Supplies	-	-	-	-	-
1.6.6 · Project Administration	-	-	515,106	19,390,535	19,905,641
1.6.7.1 · Seeds / Programme Activities	-	-	31,924,915	91,561,110	123,486,025
1.6.7.2 · Other Eligible Cost	-	-	6,803,280	-	6,803,280
1.6.8 · Construction Cost	-	-	38,464,040	-	38,464,040
5005 · Utility & Communication Cost	-	-	-	2,920,000	2,920,000
Primary School Support	-	1,740,000	-	-	1,740,000
O'Level Secondary School Support	-	1,776,000	-	-	1,776,000
O'Level Secondary School Support Boarding	-	677,000	-	-	677,000
Postage	-	50,000	-	-	50,000
Motor Vehicle Maintenance	-	35,000	-	510,000	545,000
1.2 · Vocational Training Year 1	-	340,000	-	-	340,000
1.3 · Vocational Training Year II	-	4,233,327	-	-	4,233,327
1.4 · MVC Verification & Measurement of Uniform	-	500,000	-	-	500,000
1.5 · Distribution of Scholastic Materials	-	1,570,000	-	-	1,570,000
1.6 · Procurement of Scholastic Materials	-	9,350,000	-	-	9,350,000
1.7 · Monitoring and Evaluation	-	400,000	-	-	400,000
2.1 · Stationeries	-	490,000	-	608,500	1,098,500
2.2 · Communication	-	3,940,000	-	-	3,940,000
2.3 · Transport Costs	-	3,000,000	-	-	3,000,000
2.4 · Addendum Beneficiaries Costs Incurred	-	8,400,000	-	-	8,400,000
Bank Charges	493,319	538,773	384,579	736,654	2,153,326
2 · Administration Cost — Other	-	12,340,000	-	900,000	13,240,000
502-07 · Cleaners Allowance	-	-	-	930,000	930,000
TOTAL OTHER EXPENDITURE	**493,319**	**49,380,100**	**88,685,610**	**130,201,799**	**268,760,829**
Prior Year Comparative (2024)	**-**	**34,534,805**	**101,027,409**	**10,147,124**	**267,206,048**

Abayd

Ms. Agnes Amos
Chairperson

Date: 14/04/2026

Note 8 — Significant Accounting Policies

(a) Basis of Preparation: The financial statements have been prepared on the historical cost basis and in accordance with International Public Sector Accounting Standards (IPSASs) and applicable Tanzanian legislation governing NGOs.

(b) Fixed Assets & Depreciation: Property, plant and equipment are stated at cost less accumulated depreciation. Land is not depreciated. Motor vehicles are depreciated at 25% per annum on the reducing balance basis.

(c) Revenue Recognition: Grant income is recognised when the right to receive the income is established and the conditions attached to the grants have been met.

(d) Foreign Currency: Transactions in foreign currencies are translated into Tanzanian Shillings at the exchange rate ruling at the date of the transaction.

(e) Going Concern: The financial statements are prepared on the going concern basis. Management is confident that the organisation will continue to receive donor funding to meet its obligations.