

BUSARA PROMOTIONS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Busara Promotions

Financial Statements for the year ended 31 March 2022

GENERAL INFORMATION

Country of incorporation and domicile	Tanzania, United Republic of
Business address	Off Airport Road, Maisara P.O. Box 538 Zanzibar Tanzania
Bankers	Exim Bank (Tanzania) Ltd Zanzibar Branch
Auditors	MZH Associates PrimeGlobal Plot No. Mbweni-Matrekta Zanzibar P.O. Box 1922 Zanzibar

Busara Promotions

Financial Statements for the year ended 31 March 2022

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REPORT OF THE BOARD OF TRUSTEES REPORT

The board of trustees have pleasure in submitting their report on the financial statements of Busara Promotions for the year ended 31 March 2022, which disclose the state of affairs, operational results and cash flows as of that date.

1. Incorporation and registered office

Busara Promotions was incorporated in Zanzibar on 4 March, 2003 and registered as Non-Governmental Organisation with registration number BSZ/UVS/B.P/NGO/ISZ/VOL.II/2003 governed by Zanzibar National Arts and Music Council (Superseded by Zanzibar Arts & Censorship Council Act, 2015).

2. Principal Activities and Operations

Sauti za Busara, which is the flagship event of Busara Promotions, takes place every year in Stone Town during February. Sauti za Busara is more than 'just' a music festival: it contributes to the growth and professionalization of the creative sector in the region; provides learning, exchange and employment and promotes Zanzibar globally as a leading destination for cultural tourism.

Busara Promotions is looking out for opportunities to promote music with cultural identity from East Africa and beyond. Moreover, the organization aims to promote and develop emerging talents as well as established artists from the region, including those from disadvantaged communities.

-While continuing to maintain and build on the reputation of Sauti za Busara festival in Zanzibar, significant areas that are aimed to develop further over the next five years include:

- Expanding the calendar of events to increase visibility and accessibility for local music culture;
- Increasing outreach activity to actively discover and nurture new talents, and help them to reach new markets;
- creating and curating content, to further promote African music on internet and other media;
- Professionalizing the regional music industry through increased opportunities for training and capacity building;
- Strengthening partnerships with organisations in East Africa and the Global North and South; to share information, join forces and further develop capacities through skills exchange; and
- Diversifying revenue streams that promote sustainability in the fulfilment of our mission

3. Vision

Increased social cohesion and economic growth in Zanzibar, as fuelled by a wider appreciation of local, regional and international music uniquely connected to Africa.

4. Mission

Professional employment opportunities are increasingly available in an East African music industry that is connected and in exchange with other regions. A globally acclaimed African music festival that is inclusive to local, regional and international audience continues annually in Zanzibar, providing platforms for expression and celebrating cultural pluralism.

5. Trustees

The trustees in office at the date of this report are as follows:

REPORT OF THE BOARD OF TRUSTEES REPORT

Trustees

Hon Simai Mohammed

Julia Bishop

Ahmed Juma

Hon Ally Saleh

Dr. Muhammad Juma

6. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

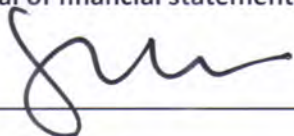
Organization ability to continue as a going concern is dependent on grant received from donors. COVID-19 has impacted the ability of the entity to secure sufficient funds from its donors to meet its operation objectives since some of the donors such as those in hospitality sector have been affected by the pandemic. Despite aforementioned factors, the trustees believes the organization will continue to operate for foreseeable future, since its core funding from the Blue Amber Zanzibar is available for a period of three years until 31 March 2025. As such, minimum unavoidable expenses in the next 12 months from the date of approval of this financial statement can be funded by existing agreed resources. Therefore, financial statement have been prepared on a going concern basis and do not include any adjustments that would be necessarily if this assumption was not appropriate.

8. Terms of appointment of the auditors

MZH Associates were appointed as the organization's auditors for the year ended 31 March 2022.

The financial statements set out on page 9, which have been prepared on the going concern basis, were approved by the board of trustees on 10 June 2022, and were signed on its behalf by:

Approval of financial statements



Chief Executive Office
10 June 2022



Hon Simai Mohammed
Chairperson, Board of trustees
10 June 2022

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TRUSTEES' RESPONSIBILITIES AND APPROVAL

The organization trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended.

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

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

The trustees have reviewed the trust's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on page 6.

The financial statements set out on pages 3 to 16, which have been prepared on the going concern basis, were approved by the board of trustees on 10 June 2022 and were signed on its behalf by:

Approval of financial statements



INDEPENDENT AUDITOR'S REPORT

To the Trustee of Busara Promotions

Opinion

We have audited the financial statements of Busara Promotions (Organisation) set out on pages 9 to 16, which comprise the statement of financial position as at 31 March 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Busara Promotions as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the accounting policies set out in the financial statement..

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the trust in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of Auditor's Responsibilities for the Audit of the Financial Statements in Tanzania, United Republic of. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Tanzania, United Republic of. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Busara Promotions financial statements for the year ended 31 March 2022", which includes the Report of the board of trustees report as required by the Zanzibar National Arts and Music Council (Superseded by Zanzibar Arts & Censorship Council Act, 2015), which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the Trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Zanzibar National Arts and Music Council (Superseded by Zanzibar Arts & Censorship Council Act, 2015), and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITOR'S REPORT

MZH Associates
Mohamed Wario
Partner
Certified Public Accountant

PrimeGlobal

Plot No.
Mbweni-Matrekta
Zanzibar

Busara Promotions

Financial Statements for the year ended 31 March 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note(s)	2022 \$	2021 \$
Assets			
Current Assets			
Trade and other receivables	2	33,880	-
Cash and cash equivalents	3	33,696	13,570
		67,576	13,570
Total Assets		67,576	13,570
Equity and Liabilities			
Equity			
Accumulated surplus		2,873	4,356
Liabilities			
Current Liabilities			
Trade and other payables	4	64,703	9,214
Total Equity and Liabilities		67,576	13,570

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STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2022 \$	2021 \$
Revenue	5	326,877	311,215
Other income	6	15	23
EXPENDITURE			
Administration costs	9	(238,673)	(223,045)
Employee costs	7	(88,542)	(103,272)
Operating (deficit)/ surplus		(323)	(15,079)
Finance costs	8	(1,160)	(59)
Deficit for the year		(1,483)	(15,138)
Other comprehensive income		-	-
Total comprehensive deficit for the year		(1,483)	(15,138)

Busara Promotions

Financial Statements for the year ended 31 March 2022

STATEMENT OF CHANGES IN EQUITY

	Accumulated surplus \$	Total equity \$
Balance at 01 April 2020	19,494	19,494
Deficit for the year	(15,138)	(15,138)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(15,138)	(15,138)
Balance at 01 April 2021	4,356	4,356
Deficit for the year	(1,483)	(1,483)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(1,483)	(1,483)
Balance at 31 March 2022	2,873	2,873

Note(s)

Busara Promotions

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STATEMENT OF CASH FLOWS

	Note(s)	2022 \$	2021 \$
Cash flows from operating activities			
Cash generated from operations		21,584	7,269
Finance costs		(1,160)	(59)
Net cash from operating activities		20,424	7,210
Total cash movement for the year			
Total cash movement for the year		20,424	7,210
Cash at the beginning of the year		13,570	6,360
Total cash at end of the year	3	33,994	13,570

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

These accounting policies are consistent with the previous period.

1.1 Functional and presentational currency

These financial statements are presented in United States Dollars (USD) which is the functional currency of the organisation.

1.2 Comparatives

Where necessary, comparative figures have been adjusted to confirm to changes in presentation in the current period.

1.3 Going concern

The Organization's ability to continue as a going concern depends on grants received from donors. COVID-19 has impacted the ability to meet its operation objectives,

The trustees have been made an assessment of the future economic environment, prospects and performance based on the following assumptions:

- Reduction of planned festival days which will also be accompanied with reduction in activities and artists performance costs.
- Undertaking health measures such as checking temperature of staff and visitors and washing hands, as well as adhering to other guidelines issued by the Ministry of Health to ensure overall safety to the festival attendees.
- Budget revision where the festival activities will take place to the extent of available funds which will be mainly obtained from sales of ticket sales.

Despite the aforementioned factors, the Trustees believe that the Organization will continue to operate for the foreseeable future, since its core funding from the Blue Amber Zanzibar is available for a period of one year until 31 March 2025. As such, minimum unavoidable expenses in the next 12 months from the date of approval of these financial statement can be funded by existing agreed resources. Therefore the financial statements have been prepared on a going concern basis and do not include any adjustments that would be necessary if this assumption were not appropriate.

1.4 Grant income

Grant income that compensates the Organisation for expense incurred is recognised in income or expenditure on a systematic basis in the same period in which the expense are recognised while grant income received in advance is deferred to future reporting periods in the statement of financial position. Expenses incurred but not yet reimbursed are recorded in the statement of Financial Position as grant income receivable.

ACCOUNTING POLICIES

1.5 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in surplus or deficit in the period in which they arise.

All transactions in foreign currencies are initially recorded in US dollars, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in surplus or deficit.

1.6 Expenditure recognition

Expenditure in respect of goods and services is recognised when expenses are incurred. This comprises of administration costs including staff related expenses.

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Financial Statements for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS

	2022 \$	2021 \$
2. Trade and other receivables		
Ignite culture receivable	33,575	-
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	219	2,014
Bank balances	33,775	11,556
	33,994	13,570
4. Trade and other payables		
Accrued pennyroyal	30,000	-
Provision license & permits	700	-
PAYE & SDL payable	4,054	-
Stamp duty payable	1,295	961
Withholding tax payable	8,448	3,253
ZSSF payable	2,699	-
Audit fee payable	5,000	5,000
Salary payable	2,500	-
Short term loan	10,000	-
	64,696	9,214
5. Revenue		
Norway Norwegian Embassy	115,669	102,039
Corporate sponsors-in kind	28,700	88,500
Tickets & passes	56,551	28,224
International donors	59,535	29,310
Government	16,350	2,800
Embassies & foreign government	22,619	9,467
Corporate sponsors in cash	19,231	17,179
Merchandise	1,958	1,496
Stall fees	6,264	2,219
Donation for equipment	-	466
External collaboration	-	11,200
Mazingira	-	18,315
	326,877	311,215
6. Other income		
Interest income	15	23

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NOTES TO THE FINANCIAL STATEMENTS

	2022 \$	2021 \$
7. Employee cost		
Employee costs		
Salaries & wages	77,022	88,207
SDL expense	2,693	4,520
ZSSF expense	8,827	10,545
	88,542	103,272
8. Finance costs		
Bank charges	1,084	674
Exchange (gain)/loss	76	(615)
	1,160	59
9. Administration costs		
Electricity	1,168	1,136
Stamp duty	1,295	961
Board of trustees expense	-	216
Communication expense	491	360
Security	4,237	4,287
Printing and stationery	1,363	1,006
Venue expense	29,530	18,868
Festival roadshow	313	-
Flights, travel & accomodation	25,798	16,392
Workshop & training	3,189	1,617
External collaboration	71,010	119,297
Office infrastructure	413	93
Staff related expense	389	561
Music, events & promotion	68,999	40,214
Office equipment	12,909	140
Cleaning	299	747
Auditors remuneration	5,000	5,000
Office rent	12,270	12,150
	238,673	223,045