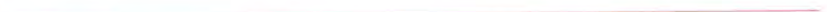


TWAVEZA EAST AFRICA

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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TWaweza East Africa

ORGANIZATION INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023

Principal place of business	15 Uganda Avenue, off Karume Road Oyster bay P.O. Box 38342 Dar es Salaam Tanzania
Principal bankers	Stanbic Bank (T) Ltd P.O. Box 75647 Dar es Salaam Tanzania
Auditors	PricewaterhouseCoopers Certified Public Accountants (Tanzania) P. O. Box 45 369 Toure Drive Oysterbay Dar es Salaam Tanzania
Lawyers	Victory Attorneys and Consultants 1st Floor, IT Plaza Building Ohio Street/Garden Avenue P.O. Box 72015 Dar es Salaam Tanzania

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors of Twaweza East Africa submit their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of Twaweza East Africa (also referred to as "Twaweza" or "the Organization").

1. INCORPORATION

Twaweza East Africa is a registered non-governmental organization with registration number 00NGO/R2/000422. Twaweza East Africa was originally incorporated in Tanzania under the Companies Act, No.12 of 2002 as a company limited by guarantee and not having share capital. Following the amendments to the Companies, Act, 2002 which required all Companies limited by guarantee that are not promoting commerce, trade and investment to register under the NGO Act, 2002, Twaweza East Africa acquired its status as a non-governmental organization on 21 August 2019.

The Organization has obtained a certificate of registration in Uganda as per the laws of Uganda and this remains valid beyond the status change from being a company limited by guarantee to a Non-Governmental Organization. The status change prompted the Organization to incorporate a wholly owned Company limited by guarantee in Kenya called Twaweza Ni Sisi to enable it to operate in Kenya. Prior to being an independent legal entity, Twaweza was an initiative to promote citizen involvement and public accountability in East Africa which was hosted by Hivos Tanzania Limited up to 31 December 2014. Thereafter, Twaweza signed an oversight and guidance agreement with Hivos Netherlands which authorized them to monitor Twaweza activities until 30 April 2019.

2. PRINCIPAL ACTIVITIES

The principal activities of Twaweza East Africa is to enable citizens to exercise agency, promote governments to be more open and responsive, and promote & protect open civic space including strengthening Civil Society Organizations.

Organization vision

We believe in an open society, built on the human impulse to make a difference; where information and ideas flow, citizens engage, and authorities are accountable to the people.

Organization missions

- i. To demonstrate how citizens can come together to collectively address their systemic development problems, and make government work better for them;
- ii. To enable citizens' voices, interests and experiences to be heard and taken seriously in decision-making across multiple governance levels; and
- iii. To promote and protect open civic space which enables citizens to freely assemble or organise, speak and act.

Objectives

Twaweza aims for ambitious strategic outcomes at two levels: institutional outcomes and people level outcomes. Our overarching objective is to change how local government behaves (i.e., systems change) in order to improve the lives of ordinary citizens, especially women and youth (i.e., impact at scale). This overarching objective reflects our expanded ambition to contribute to deep change through a sharper focus on government behavior.

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

2. PRINCIPAL ACTIVITIES (CONTINUED)

Strategies/ tactics

Twaweza uses the following approaches to achieve the three missions:

- i. **Credible Evidence** – rigorously collected and compellingly communicated, and focused on citizens' lived experiences, will underpin all of our work and learning.
- ii. **Intentional Organising** – we deploy our convening power, capacity and influence to bring people and organisations together in the service of wider aims.
- iii. **Equitable Partnerships** – we foster partnerships with diverse actors to better achieve our aims and embed our approaches and values while paying due attention to power dynamics.
- iv. **Empathetic Engagement** – we are critical and supportive, creative and analytical, speaking to the motivations and barriers of those we seek to persuade.
- v. **Compelling stories** – we view media as a critical partner in all of our work and use debate, transparency, agenda-setting, accountability and storytelling in the media to further all our objectives.

3. PERFORMANCE FOR THE YEAR

The financial performance for the year is set out on page 16 of the financial statements.

Activities implemented

During the year, Twaweza East Africa implemented over 90% of its planned activities, contributing to the organization's three strategic goals.

Mission 1: Demonstrating citizen agency for collective action in solving systemic community problems.

In partnership with community-based organizations across ten districts (covering over 110 villages) in Tanzania and Uganda, we have been implementing the animation program aimed at galvanizing citizen agency, enhancing the capacity of local governments and improving social services.

In 2023, in each district we (i) conducted several partnership review and reflections meetings to assess implementation progress and agree on plans to improve, (ii) supported partner organizations, change agents and local leaders in prioritizing community problems and develop actionable plans to address them, and (iii) linked partners and change agents between different districts to promote sharing of experiences and strategies. The animation approach has contributed to enhancing the ability, motivation and opportunities for citizens to collectively identify priority challenges and develop actionable plans that they implement together with their local governments. We contributed to improving the capacity of village governments to respond to community priorities in an inclusive and transparent manner.

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

4. PERFORMANCE FOR THE YEAR (CONTINUED)

Mission 2: amplifying citizen voices and promoting government responsiveness.

Our flagship program – Sauti za Wananchi - is Africa's first telephone survey of a nationally representative sample. We use it to generate evidence to enhance insight, prompt debate and amplify voices for better decisions and actions by citizens and government. Every year, we conduct a few opinion polls, produce fact sheets and briefs, organize public launch events and conduct multiple engagement meetings with policy makers directly and through national and local media. Some highlights in 2023 include:

In Uganda, we published briefs and factsheets and engaging with policy makers based on data from three call rounds covering (i) livelihoods and business environment, (ii) climate change adaptation and environmental health, and (iii) citizen participation.

In Kenya, our work in 2023 enabled us to further amplify citizens' voices in more innovative ways. We conducted two out of three planned call rounds, conducted an additional self-administered online survey on livelihoods that attracted 25,000 responses. In disseminating the data, we engaged with policy makers at the national and subnational level and showcased our insights at the Devolution Conference 2023. Working with the Kenya National Bureau of Statistics, we have intensified efforts to expand the inclusion of citizen-generated data into official statistics.

Mission 3: promoting and protecting open civic space.

Our main approaches under this mission area include analyzing proposed bills to amend laws touching on democracy and human rights; collaborating with like-minded organizations in engaging with policy makers and the public in promoting open civic space; providing strategic support to select media entities and civil society organizations; and working in coalitions to promote free expression, access to information, freedom of association and assembly. Highlights in 2023 include:

- Working with the Tanzania Centre for Democracy (TCD) and the Office of the Registrar of Political Parties (ORPP) to organize two national multi-stakeholder conferences on the state of democracy in Tanzania.
- Working with the Maalim Seif Shariff Hamad Foundation to design and deliver a leadership training workshop for young leaders from the five major political parties and media representatives, and moderating a panel at the annual Maalim Seif Sharif Hamad symposium in Zanzibar.
- Providing strategic support to select media outlets in Tanzania and Uganda, including the Uganda Radio Network, Tanzania Editors' Forum, Creative Industries Network in Tanzania (CINT), the Chanzo Initiative (a digital media outlet in Tanzania), Tanzania Centre for Democracy (TCD), and Equality for Growth (EfG), a women's rights organization supporting women in the informal sector in Tanzania.
- Organizing the 5th national Civil Society Week in Arusha, which attracted over one thousand participants from across the country. Also contributed to the organization of World Press Freedom Day, attended by over 500 participants.
- Training more than 20 NGOs at the national and local level on organizational monitoring, evaluation, and learning; resource mobilization; effective approaches to community participation; and strategies for media and public engagement.
- Delivering a training session on artificial intelligence, communication strategies, and research skills to Tanzania's Parliamentary Secretariat.

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

4. ORGANISATION GOVERNANCE

The Board consists of seven directors headed by a Board Chairperson. The Board takes overall responsibility for the Organization, including the responsibility for identifying key risk areas, considering and monitoring decisions, considering significant financial matters and reviewing the performance of management plans and budgets. The Board of Directors is also responsible for ensuring that comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles.

During the year, the board held three meetings to deliberate on matters related to organization's operations and achievements. The board deliberated further on previous year annual reports, mid-year progress report, midterm budget review and review of annual plan budget for the upcoming period.

The governance and management structure comprises of the following levels:

- Twaweza East Africa Members who are the ultimate owners of the Organization and who are the supreme decision makers of the Organization;
- Twaweza East Africa board of directors who oversee the activities of the Organization and make decisions on the strategy, policies, plans, budgets and other operational aspects of the Organization and their implementation. They make recommendations to the Members for major decisions such as the approval of annual reports and financial statements, and the appointment of Directors of the Organization.
- Twaweza East Africa Executive Director who is responsible to lead and manage the day-to-day affairs of the Organization.

COMPOSITION OF THE MEMBERS

The members are the ultimate owners of the Organization. They are the supreme decision-making organ of the Organization that exercises formal fiduciary (legal and fiscal) oversight following recommendations from the Board of Directors. The members who served during the year are:

Name	Position	Qualification	Nationality	Remarks
Samwel Wangwe	Chairperson	Economist, University lecturer, Policy researcher and Policy analyst, and Economic advisor to the Government of Tanzania	Tanzanian	Appointed 21 August 2019
Elieshi Lema	Member	Chairperson of E & D Limited. A writer, has published over 26 children's books and 8 adult books.	Tanzanian	Appointed 24 September 2019
Rakesh Rajani	Member	Vice President at Co-Impact. Former Director of Civic Engagement and Government at the Ford Foundation, USA from 2015 to 2018. Former Head and Founder of Twaweza East Africa and HakiElimu.	Tanzanian	Appointed 21 August 2019
Rebeca Gyumi	Secretary	Executive Director and Founder of Msichana Initiative.	Tanzanian	Appointed 21 August 2019

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

COMPOSITION OF BOARD OF DIRECTORS

The Directors of Twaweza East Africa at the date of this report, all of whom have served since 1 January 2023 except otherwise stated are:

Name	Position	Qualification	Nationality	Remarks
Elieshi Lema	Chairperson	Chairperson of E & D Limited. A writer, has published over 26 children's books and 8 adult books.	Tanzanian	Resigned on 14 December 2023
Getrude Mugizi	Director	Economist, public service and social accountability expert since 2005.	Tanzanian	
Charles Businge	Director	Director of Southern Africa-Sub-Region at Plan International.	Ugandan	
Rebeca Gyumi	Director	Executive Director and Founder of Msichana Initiative.	Tanzanian	
Wanjiru Kamau-Rutenberg	Director	Director, African Women in Agricultural Research and Development (AWARD).	Kenyan	Resigned on 17 January 2023
Prof. Mussa J. Assad	Director	Deputy Vice Chancellor – Administration & Finance of Muslim University of Tanzania. Former Controller and Auditor General of Tanzania.	Tanzanian	
Bahame Tom Nyanduga	Director	Former Chairperson of the Commission for Human Rights and Good Governance of the United Republic of Tanzania.	Tanzanian	

COMPOSITION OF SENIOR MANAGEMENT TEAM

The Organization's Day to day affairs is overseen by the Executive Director in collaboration with the Senior Management Team. The members of the Senior Management Team during the year and to the date of this report are as follows:

Name	Title
Aidan Eyakuze	Executive Director
Risha Chande	Director, Advocacy and Engagement
Baruani Mshale	Director, Learning and Strategy
Violet Alinda	Director, Voice and Participation and Uganda Country Lead
James Ciera	Senior Data Analyst and Kenya Country Lead
Glory Saria	Senior Manager, Operations
Richard Modest	Senior Manager, Finance
Anastazia Rugaba	Manager, Advocacy and Engagement

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

5. FUTURE DEVELOPMENT PLANS

The year 2023 marked the final year of our current third strategy. During the year, we managed to intensify the pace of our work for deeper engagement and impact. We systematically documented and shared our stories of impact from over the strategic period, our insights and successes from our data, our animation work and our advocacy. We also developed a new strategic plan for the next four years, 2024-2027.

The new strategy is both evolutionary and revolutionary. It reflects the cumulative experience of 15 years since our establishment in 2009, and the enduring relevance of our core vision. At the same time, it acknowledges and embraces the central role of government in creating a society of engaged, active citizens and accountable authorities. It makes Twaweza even better suited for the challenging governance landscape that we propose to navigate and shape. That is why we shall focus on improving, with evidence and empathy, how government delivers, focusing on those institutions that support local governments to serve citizens.

This strategy focuses on two connected outcomes. The ultimate, people level outcome, is one in which more citizens, especially women, youth and people living with disabilities, are leading more dignified lives with improved services and a felt sense of enhanced agency and self-efficacy. To achieve this will require local government practices that are open, inclusive, responsive and accountable, and supportive national institutional frameworks. These are the institutional level outcomes that we shall pursue through focused, evidence-driven and empathetic engagement with the local government systems.

Our core vision remains unchanged: ***an open society built on the human impulse to make a difference, where information and ideas flow, all citizens engage, and authorities are accountable to the people.*** In such a society, citizen agency is enriched, government responsiveness is enhanced, and the relationship between citizens and their government is improved.

The strategy will be implemented through the following three connected missions:

Mission 1: Demonstrating citizen agency and government responsiveness to build trust.

Mission 2: Generating evidence for better decisions and actions by citizens and government.

Mission 3: Strengthening civil society sector to enhance its legitimacy and impact.

6. ENVIRONMENTAL CONSIDERATION

The Organization is considering environment in their daily operations. The Organization has automated most of its business processes in order to minimize the use of paper which can be harmful to the environment. The Organization also engages waste disposal management and recycling specialists to manage hazardous and non-hazardous wastes generated in the course of operations. The Organization plans to continue engaging professional waste management and recycling specialist in disposing all waste materials. During the year a total of USD 995 (2022: USD 801) was spent in waste management.

7. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control system of the Organization. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The stewardship of the Organization's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse condition; and
- Responsible behaviors towards all stakeholders.

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

7. RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Organization system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2023 and is of the opinion that they met accepted criteria.

COMMERCIAL AND OPERATIONAL RISKS

Risk	Description of risk	Mitigation
Resource Development/Fundraising	Income will be insufficient to carry out the mission and goals. In particular, the risk of not replacing one or more large donors or renewals coming in at lower amounts. There is also a risk of overreliance on restricted sources of funding as funders/donors increasingly look to project-based or restricted funding that does not support the core Twaweza budget and workplan.	<ul style="list-style-type: none">• Seek out new donors and new grant possibilities with existing donors to expand income base.• Active donor and stakeholder engagement on the progress of the organisation.• Periodic review of the activities/programmes to ensure that they are aligned to strategic objectives.• Ensure strong financial management and accountability systems in place.
Data loss or compromise	The increased dependency on cloud-based technology infrastructure and the intermingling of Twaweza and personal devices for work increases the potential risk of hacking both for Twaweza and the individual staff member. Concern about unintended lapses in security as well as intentional, targeted hacking.	<ul style="list-style-type: none">• Conduct regular assessment of the Organization's data security and implement recommendations as appropriate.• Provide training to staff on data security, policies and guidance on the use of Twaweza devices for personal use.• Policies and their enforcement on use of personal technology.

8. ADMINISTRATION POLICIES AND FINANCIAL REGULATIONS

Twaweza has formal Financial and Administration regulations approved by the Board of Directors of Twaweza. These provide a solid basis for accountability and high standards within the Organization.

9. SOLVENCY

The directors are satisfied that the Organization has the resources to continue in operation for the foreseeable future. Besides, the directors confirm that they are not aware of any material uncertainties that may cast significant doubt upon the Organization's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2023

10. EMPLOYEE WELFARE

Medical Assistance

All members of staff and their dependents are covered with a medical insurance.

Training

Twaweza organizes regular learning sessions aimed at enhancing staff skills and widening the understanding of relevance of Twaweza's work as well as for personal development. In addition, the Organization pays a contribution to school fees for employees' children and dependents.

Employment opportunities

Twaweza 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 and without regard to factors like gender, marital status, tribe, religion and disability which does not impair the ability to discharge official duties.

Employees Benefit Plan

The Organization pays contributions to publicly administered pension plans on a mandatory basis which qualifies to be a defined contribution plan.

11. GENDER PARITY

The Organization is committed to ensuring gender parity. As at 31 December, 2023, Twaweza had 39 employees (23 women and 16 men) as per the table below;

	2023	%	2022	%
Female	23	59	23	55
Male	16	41	19	45
Total	39	100	42	100

12. RELATED PARTY TRANSACTIONS

The details of related party transactions and balances are disclosed in Note 19 of the financial statement.

13. AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office and are eligible for re-appointment.


TWaweza East Africa

**REPORT BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Organization 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 organization.

By order of the Board of those charged with Governance



Prof. Mussa J. Assad
Acting Chairperson

09/04/2024

TWAVEZA EAST AFRICA

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2023

The directors of Twaweza East Africa are required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Organisation as at the end of the financial year and of its surplus or deficit for the year. Directors should ensure that the Organization keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the organisation. They are also responsible for safeguarding the assets of the organisation and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.


The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The Management are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organisation and of its surplus or deficit in accordance with International Public Sector Accounting Standards (IPSAS). The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the directors to indicate that the Organization will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:



Prof. Musa J. Assad
Acting Chairperson



Aidan Eyakuze
Executive Director

09/04/2024

TWAVEZA EAST AFRICA

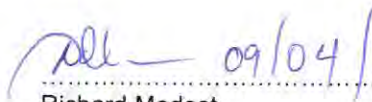
**DECLARATION BY THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's financial 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 Directors as under Directors Responsibility statement on an earlier page.

I, Richard Modest, being the Head of Finance of Twaweza East Africa hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2023 have been prepared in compliance with International Public Sector Accounting Standards (IPSASs)

I thus confirm that the financial statements of Twaweza East Africa for the year ended 31 December 2023 give a true and fair view of the financial position as on that date and that they have been prepared based on properly maintained financial records.

 09/04/2024
Richard Modest
Head of Finance
NBAA Membership No. ACPA 2238

Independent auditor's report

To the Members of Twaweza East Africa

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Twaweza East Africa (the "Organisation") as at 31 December 2023, and of its financial performance and cash flows for the period then ended in accordance with International Public Sector Accounting Standards (IPSASs) and the requirements of Non-Governmental Organization Act, (Act No. 24 of 2002).

What we have audited

The financial statements of Twaweza East Africa as set out on pages 16 to 41 comprise:

- the statement of financial position as at 31 December 2023;
- the statement of financial performance for the year then ended;
- the statement of changes in net assets for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organisation in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

Other information

The directors are responsible for the other information. The other information comprises the organization information, the report by those charged with governance, Statement of directors' responsibilities, Declaration by the Head of Finance and appendix but 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 any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information, 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 (continued)

To the Members of Twaweza East Africa

Report on the audit of the financial statements

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS), and for such internal control as the directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

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 ISAs 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 ISAs, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Organisation'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 Organisation 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 directors 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 (continued)


To the Members of Twaweza East Africa

Report on the audit of the financial statements

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for the members of Twaweza East Africa as a body in accordance with Section 29 of Non- Governmental organization Act, 2002 and for no other purposes.

As required by the NGO Act, (Act No 24 of 2002), each Non-Governmental Organization shall for every calendar year (a) prepare a report of its activities which shall be made available to the Public, the National Council for Non-Governmental Organizations, the Non-Governmental Organizations Coordination Board, and other stakeholders; and (b) prepare an annual audit report and submit copies therefore to the National Council for Non-Governmental Organizations and the Non-Governmental Organizations Coordination Board. In respect of the above requirements, there is no matter to report.



Nelson E Msuya, FCPA - PP

For and on behalf of PricewaterhouseCoopers
Certified Public Accountants
Dar es Salaam

Date: 15th APRIL 2024.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2023 USD	2022 USD
Revenue			
Revenue from non-exchange transactions			
Grants	6	4,739,908	4,898,886
Deferred capital grant released to revenue	16	<u>78,072</u>	<u>47,177</u>
		4,817,980	4,946,063
Other income	7	45,089	6,248
Operating costs	8	<u>(4,798,518)</u>	<u>(4,931,198)</u>
Operating surplus		64,551	21,113
Finance costs - interest expense on lease liability	13(b)	<u>(2,960)</u>	<u>(13,527)</u>
Surplus before income tax		61,591	7,586
Income tax expense	10(a)	<u>(7,673)</u>	<u>-</u>
Surplus for the year		<u>53,918</u>	<u>7,586</u>

TWAVEZA EAST AFRICA

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF FINANCIAL POSITION

	Note	2023 USD	2022 USD
ASSETS			
Non-current assets			
Property and equipment	12	157,910	187,510
Right-of-use asset	13(a)	<u>366,254</u>	<u>148,341</u>
		<u>524,164</u>	<u>335,851</u>
Current assets			
Income tax recoverable	10(b)	36,501	39,822
Grant funds receivable	17	38,936	28,789
Other receivables	14	180,740	177,355
Cash and bank balances	15	<u>1,183,959</u>	<u>1,356,177</u>
		<u>1,440,136</u>	<u>1,602,143</u>
TOTAL ASSETS		<u><u>1,964,300</u></u>	<u><u>1,937,994</u></u>
RESERVES AND LIABILITIES			
RESERVES			
General reserve		<u>619,241</u>	<u>565,323</u>
LIABILITIES			
Non-current liabilities			
Deferred capital grant	16	157,910	187,510
Lease liability	13(b)	<u>220,571</u>	<u>28,317</u>
		<u>378,481</u>	<u>215,827</u>
Current liabilities			
Trade and other payables	18	868,434	667,083
Deferred income grants	17	5,368	404,042
Lease liability	13(b)	<u>92,776</u>	<u>85,719</u>
		<u>966,578</u>	<u>1,156,844</u>
TOTAL LIABILITIES		<u><u>1,345,059</u></u>	<u><u>1,372,671</u></u>
TOTAL RESERVES AND LIABILITIES		<u><u>1,964,300</u></u>	<u><u>1,937,994</u></u>

The financial statements on page 16 to 41 were approved and authorized for issue by the Board of Directors on 09/04/2024 and signed on its behalf by:


Prof. Mussa J. Assad
Acting Chairperson


Aidan Byakuze
Executive Director

TWAVEZA EAST AFRICA

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF CHANGES IN NET ASSETS

	USD
Year ended 31 December 2023	
At start of the year	565,323
Total comprehensive income for the year	<u>53,918</u>
At the end of year	<u>619,241</u>
Year ended 31 December 2022	
At start of the year	557,737
Total comprehensive income for the year	<u>7,586</u>
At the end of year	<u>565,323</u>

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CASH FLOWS

	Note	2023 USD	2022 USD
Cash flow from operating activities			
Surplus before income tax		61,591	7,586
Adjusted for:			
Gain on disposal of assets	7	(309)	(526)
Deferred capital grant released on disposed assets	7	(2,761)	(1,074)
Depreciation charge – property and equipment	8	75,311	46,103
Depreciation charge – right-of-use assets	8	119,080	119,080
Interest expense on lease liability	13 (b)	2,960	13,527
Exchange gain on lease liability	8	(10,888)	(4,140)
Deferred capital grant released to revenue		(75,311)	(46,103)
		<u>169,673</u>	<u>134,453</u>
Changes in working capital:			
(Increase)/ decrease in grants funds receivable		(10,147)	681,211
(Increase)/ decrease in other receivables		(3,385)	8,409
(Decrease)/ increase in deferred income grants		(398,674)	404,042
Increase/ (decrease) in trade and other payables		201,351	(339,632)
		<u>(41,182)</u>	<u>888,483</u>
Tax paid	10(b)	(4,352)	(141)
Cash (used in)/ generated from operations		<u>(45,534)</u>	<u>888,342</u>
Cash flows from investing activities:			
Plant and equipment acquired	12	(48,472)	(146,764)
Proceeds from sale of assets		3,070	1,600
Cash used in investing activities		<u>(45,402)</u>	<u>(145,164)</u>
Cash flows from financing activities:			
Receipt of capital grant	16	48,472	146,764
Office lease paid	13(b)	(129,754)	(129,804)
Cash flows from financing activities		<u>(81,282)</u>	<u>16,960</u>
Net decrease in cash and cash equivalents		<u>(172,218)</u>	<u>760,138</u>
Cash and cash equivalents at the beginning of the year		<u>1,356,177</u>	<u>596,039</u>
Cash and cash equivalents at the end of the year	15	<u>1,183,959</u>	<u>1,356,177</u>

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES

1. ORGANIZATION INFORMATION

Twaweza East Africa is registered under the Non-Governmental Organizations Act, No. 24 of 2002 and issued with registration number 00NGO/R2/000422.

The address of its registered office is described in page 1 of these financial statements.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements of Twaweza East Africa have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSASs).

The financial statements are presented in US Dollars (USD), which is the reporting currency of the Organization. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared based on historical cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS"). In the absence of an International Public Sector Accounting Standard that specifically applies to a transaction, other event or condition, management uses its judgement in developing and applying an accounting policy that results in information that is relevant to the decision-making needs of users so that the financial statements:

- Represent faithfully the financial position, financial performance and cash flows of the entity;
- Reflect the economic substance of transactions, other events or conditions and not merely the legal form;
- Are neutral, that is free from bias;
- Are prudent; and
- Are complete in all material respects.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

(b) Changes in accounting policy and disclosures

New and amended standards adopted by the Organization.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2023 and have been applied in preparing these financial statements.

Standard not yet effective but early adopted by the Organization.

IPSAS 43 – Leases

The effective date of this standard is 1 January 2025, but the entity has elected to early adopt the standard in concurrence with the adoption of IPSAS accounting framework. For lessees, this standard introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13 Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13.

The early adoption of this standard result, as was the case under the previous IFRS framework, in the retention of the right-of-use asset and lease liability in the statement of financial position in conjunction with depreciation of right-of-use asset and interest expense on lease liability in the statement of financial performance.

As such, there was no material impact on the financial position and financial performance as a result of this early adoption.

Standard not yet effective and not early adopted by the Organization.

IPSAS 45, Property, Plant and Equipment

The effective date of this standard is 1 January 2025. The standard was published May 2023.

IPSAS 45 updates principles drawn from IPSAS 17 (property, Plant and Equipment) by adding new guidance for heritage assets, infrastructure assets and measurement of property, plant and equipment.

IPSAS 45 requires assets acquired through non exchange transactions to be measured at their deemed cost as at the date of acquisition.

IPSAS 46, Measurement

The effective date of this standard is 1 January 2025. The standard was published May 2023.

IPSAS 46 brings about measurement guidance together in a single standard, introducing a public sector specific current value measurement basis for assets held for their operational capacity and brings in generic guidance on fair value for the first time.

IPSAS 47, Revenue

The effective date of this standard is 1 January 2026. The standard was published May 2023.

IPSAS 47 will set out accounting requirements for revenue transactions in the public sector. It will replace IPSAS 9 (revenue from exchange transactions) and IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers)

IPSAS 47 presents two accounting models i.e., revenue with binding arrangements and revenue without binding arrangements and includes a comprehensive guidance for an entity to determine which accounting model to apply.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

(c) Use of estimates and judgements

The preparation of financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The key estimates management has made in preparing these financial statements are disclosed in Note 5.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(d) General reserves

General reserves represents unrestricted funds arising from accumulated other income that are available for use at the discretion of the Directors in furtherance of the objects of the Organization.

(e) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of the Organization are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars which is the Organization's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency 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 and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

(f) Revenue recognition

Revenue comprises grants income from current grants, release of capital grants and other income from Twaweza East Africa staff participating in various technical meetings and forums. Grants are measured at fair value and recognised where there is reasonable assurance that they will be received, and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is credited to a deferred income account and is released to statement of financial performance to match the depreciation expense on the assets on a straight-line basis.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Funding arrangements

Twaweza East Africa operates a funding arrangement where donor funds are directly received in Twaweza East Africa bank accounts maintained in East Africa.

TWaweza East Africa

Annual Reports and Financial Statements for the year ended 31 December 2023

Notes (Continued)

(g) Expenditure recognition

The organisation's expenditure is recognised on an accrual basis. The effects of expenses are recognised 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.

(h) Property and equipment

Property and equipment are initially recognized at cost. Subsequently, property and equipment are stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organization and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Assets are depreciated starting in the month they are put into use. Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset class	Rate (%)
Motor vehicles	25.0%
Computers and accessories	33.3%
Furniture and fittings	12.5%
Equipment	25.0%
Leasehold improvements	Follows lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in the statement of financial performance within other income.

(i) Financial instruments

Financial instruments are recognised on the Organization's statement of financial position when the organisation becomes a party to the contractual provisions of the instruments. Financial instruments are recognised initially at fair value plus, for instruments not at fair value through surplus or deficit, any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method, less any impairment losses if any.

Financial assets within the scope of IPSAS 41 *Financial Instruments* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Classification

Financial assets comprise of receivables; and cash and bank balances.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current assets except for maturities greater than 12 months, otherwise they are classified as non-current.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

(i) Financial instruments (Continued)

Recognition and measurement

Receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment

The Organization assesses at the end of each reporting period whether there is objective evidence that a financial asset or Organization's financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Organization of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the donors or a group of donors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

For receivable category the amount of the loss is measured as a difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income. If, in 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 reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

(j) Other receivables

Other receivables consist of funds deposited to vendors and employees in the normal course of the business. Advances and prepaid expenses are recognized upon payment and derecognized when service has been rendered.

(k) Cash and bank balances

For the purpose of presentation in the statement of cash flows, cash and bank balances include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

(l) Income tax

The current and deferred income tax charge is computed on the basis of reported profit before tax for the year under review and regulations of the United Republic of Tanzania, in which the Organization is registered, using substantively enacted tax rates in Tanzania where the Organization operates and generates taxable income. Income tax comprises current tax and deferred tax.

Current tax charge is the amount of income tax payable on the taxable profit for the year and any adjustments to the tax payables in respect of prior years. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset the current tax assets against the current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

(m) Receivables from non- exchange transactions

Receivables from non-exchange transactions comprise contractual commitments from donors/development partners where the Organization has incurred expenditure as per grant agreement and is yet to be reimbursed by the donor/development partner. This is a change in accounting for this type of receivable which was previously accounted for upon signing of the agreement with donor/development partner.

(n) Deferred capital grants

Donations received to acquire property and equipment are capitalized and credited to deferred capital grant account. Deferred capital grant account is amortized in the statement of comprehensive income over the estimated useful lives of the assets concerned.

(o) Deferred income grants

Deferred income grant represents an obligation to conduct donor funded activities per contractual commitments made between donors/development partners and the Organization.

The deferred income grants amount recorded on the recipient's statement of financial position generally represents the total amount of grants per funding agreements to match with the receivables from non-exchange transactions, less the amount amortized for services performed to date.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

(p) Employee benefits - Retirement benefit obligation

The Organization has a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Organization pays fixed contributions into a separate entity. The Organization's contributions to the defined contribution schemes are charged in statement of comprehensive income in the year in which they relate. The Organization has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Organization has no further payment obligations once the contributions have been paid. The Organization and all its employees contribute to the National Social Security Fund (NSSF) and Jubilee Insurance which are defined contribution scheme.

(q) Payables under exchange transactions

Payables under exchange transactions are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are presented as current liabilities unless payment is not due within twelve months after year end. If not, they are presented as non-current liabilities. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The settlement cost approximates the fair value and amortized cost.

(r) Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(s) Leases

The Organization assesses whether a contract is or contains a lease, at inception of the contract. The Organization recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones).

For these leases, the Organization recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

(s) Leases (continued)

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Organization remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Organization did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Organization incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IPSAS 19. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Organization expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Organization applies IPSAS 21 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in the statement of financial performance.

TWaweza East Africa

Annual Reports and Financial Statements for the year ended 31 December 2023

Notes (Continued)

(s) Leases (continued)

As a practical expedient, IPSAS 21 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Organization has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Organization allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4 FINANCIAL RISK MANAGEMENT

The Organization's activities expose it to a variety of financial risks, namely: market risk, credit risk and liquidity risk. The Organization's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Organization does not hedge any of its risk exposures.

Financial risk management is carried out by the finance department under policies approved by the Board of Directors. Foreign currency risk is managed by contracting suppliers in local currency so as to protect Organization from the volatility associated with foreign currency depreciation. The Organization also maintains cash balances in US Dollars which has been strong over time and conversion to foreign currencies (i.e., Tanzania Shillings, Kenyan Shillings and Ugandan Shillings) is made on need basis.

(a) Market risk

Foreign exchange risk

The Organization is exposed to foreign exchange risk arising from grants receivable/received, purchases, assets and liabilities denominated in currencies other than the functional currency of the Organization, primarily with respect to Tanzania shillings, Uganda shillings and Kenya shillings.

Organization financial assets and liabilities are denominated in Tanzania shillings, Kenyan shillings and Ugandan shillings. As a result, the Organization is exposed to exchange rate fluctuations that have impact on cash flows. Exposure to foreign currency risk is mitigated by the fact that the Organization maintains certain part of its grants in United States Dollar. The effect of the foreign currency risk is not significant and therefore management does not hedge against foreign currency risk. This exposure does not result in significant risk as foreign currency assets and liabilities are normally recovered and settled within a fairly short time.

As at 31 December 2023, if the US Dollar weakened/strengthened by 10% against the Tanzanian shillings with all other variables held constant, change in net income for the year would have been USD 21,529 (2022: USD 1,122) higher/lower mainly as a result of foreign exchange gains/losses on translation of Tanzania Shillings denominated payables, receivables and cash.

As at 31 December 2023, if the US dollar weakened/strengthened by 10% against the Ugandan shillings with all other variables held constant, change in net income for the year would have been USD 8,066 (2022: USD 7,683) higher/lower mainly as a result of foreign exchange gains/losses on translation of Ugandan Shillings denominated payables, receivables and cash.

As at 31 December 2023, if the US dollar weakened/strengthened by 10% against the Kenyan shillings with all other variables held constant, change in net income for the year would have been USD 3,087 (2022: USD 5,216) higher/lower mainly as a result of foreign exchange gains/losses on translation of Kenyan Shillings denominated payables, receivables and cash.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

(b) Credit risk

Credit risk arises from cash and bank balances and deposits with banks and financial institutions, including outstanding receivables and committed transactions.

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

	<u>2023</u> USD	<u>2022</u> USD
Cash at bank (note 15)	461,317	653,849
Short term deposit (note 15)	721,728	701,435
Staff debtors (note 14)	100	59
Deposits (note 14)	10,881	2,253
Receivables from non-exchange transaction (note 17)	38,936	28,789
	<u>1,232,962</u>	<u>1,386,385</u>

No collateral is held for any of the above assets.

(c) Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from various donors and/ (or) development partners.

The table below analyses the Organization's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Less than 1 year USD
At 31 December 2023	
- payables under exchange transactions (note 18)	<u>376,744</u>
At 31 December 2022	
- payables under exchange transactions (note 18)	<u>185,491</u>

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Organization makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Taxation

The Organization is subjected to several taxes and levies by various government and quasi-government regulatory bodies. Generally, the Organization recognizes liabilities with regard to anticipated taxes and levies payable with utmost care and diligence. However, significant judgement is required in the interpretation and application of those taxes and levies. In the event that management assesses that the initially recorded liability was erroneous, the differences are charged to the profit and loss account in the period in which the differences are determined.

Impairment of receivables

Twaweza reviews its receivables from non-exchange transactions and other receivables to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the statement of financial performance, Twaweza makes judgements using estimates based on historical loss experience for its debtors. It is on this basis that management have determined the risk of recoverability based on days outstanding.

Provisions

A provision is recognized if, as a result of a past event, Twaweza has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Twaweza makes provisions for expenses that are most likely to be incurred based on events that have taken place during the year. Provisions are determined by making a best estimate of the expenditure required to settle the present obligation at the reporting date. These provisions include of accruals for all services which was already delivered as of the reporting date, but they are not billed.

Useful lives and residual values of property and equipment

Twaweza tests annually whether the useful life and residual value estimates were appropriate and in accordance with its accounting policy. Useful lives and residual values of property and equipment have been determined based on previous experience and anticipated disposal values when the assets are disposed.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

	<u>2023</u> USD	<u>2022</u> USD
6. INCOME GRANTS		
Amount released from deferred income grants (Note 17)	<u>4,739,908</u>	<u>4,898,886</u>
7. OTHER INCOME		
Contribution from other organizations on Twaweza staff participation/ facilitation in their meetings/ activities	16,234	1,809
Deferred capital grant released on disposed assets (Note 16)	2,761	1,073
Gain on disposed assets	309	526
Interest income	<u>25,785</u>	<u>2,840</u>
	<u>45,089</u>	<u>6,248</u>
8. OPERATING COSTS		
Motivated teachers (incl. Kiufunza)	533,175	240,272
Learning, monitoring and evaluation	117,395	269,375
Citizen Agency	291,520	452,540
Enabling citizen voices	463,713	462,136
Promoting and protecting open civic space	173,218	372,940
Governance and management*	<u>3,219,497</u>	<u>3,133,935</u>
	<u>4,798,518</u>	<u>4,931,198</u>
*Governance and management costs includes the following:		
Management and strategic support	95,652	91,494
Program staff and consultants' costs (Note 9a)	1,882,188	1,784,039
Support staff and consultants' costs (Note 9b)	748,183	779,426
Staff recruitment	-	86
Office running costs	165,207	148,138
Value Added Tax, on office rent	15,145	15,489
Communications/ Internet/ Utilities	110,601	134,447
Travel and transport	17,251	12,879
Exchange movement on conversion between bank accounts	(994)	5,820
Depreciation of property and equipment	75,311	46,103
Equipment written off	2,761	1,074
Exchange gain on lease liability	(10,888)	(4,140)
Depreciation - Right to use asset	<u>119,080</u>	<u>119,080</u>
	<u>3,219,497</u>	<u>3,133,935</u>

TWAVEZA EAST AFRICA

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NOTES (CONTINUED)

	<u>2023</u>	<u>2022</u>
	USD	USD
9. EMPLOYEE BENEFIT COSTS		
a) Program staff and consultants		
Salaries	1,468,768	1,406,194
Skills and Development Levy	34,333	30,274
Social Security Contributions	159,058	144,877
Health and group insurance	83,489	72,242
Other staff benefits	112,274	105,542
Staff leave	(6,976)	(19,289)
Workers Compensation Fund	4,748	4,464
Severance pay	24,710	39,735
Housing levy	1,784	-
	<u>1,882,188</u>	<u>1,784,039</u>
b) Support staff and consultants		
Salaries	578,326	592,962
Skills and Development Levy	18,687	22,363
Social Security Contributions	59,931	61,773
Health and group insurance	52,834	47,476
Other staff benefits	26,545	36,768
Staff leave	(1,960)	(291)
Workers Compensation Fund	2,408	2,623
Severance pay	11,016	15,752
Housing Levy	396	-
	<u>748,183</u>	<u>779,426</u>
10. INCOME TAX		
a) Income tax expense		
Income tax charge	<u>7,673</u>	<u>-</u>
Reconciliation of income tax expense based on surplus/ (deficit)		
Surplus/(deficit) before income tax	<u>61,591</u>	<u>7,586</u>
Tax credit calculated at 30%	18,477	2,276
Items not deductible for tax purposes	13,177	5,526
FAR adjustment	(519)	-
Deferred tax movement not recognized	<u>(23,462)</u>	<u>(7,802)</u>
Income tax expense	<u>7,673</u>	<u>-</u>
b) Income tax recoverable		
Opening balance of tax recoverable	39,822	39,681
Current tax charge – Note 10(a)	(7,673)	-
Income Tax paid during the year	4,352	141
Income tax paid at source during the year	<u>3,343</u>	<u>-</u>
	<u>36,501</u>	<u>39,822</u>

TWAVEZA EAST AFRICA

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NOTES (CONTINUED)

11. DEFERRED INCOME TAX

Deferred income tax is calculated using the enacted income tax rate of 30% (2020: 30%). The movement on the deferred income tax account is as follows:

	<u>2023</u> USD	<u>2022</u> USD
At start of year	-	-
Deferred tax asset	46,835	71,724
Deferred tax not recognized	<u>(46,835)</u>	<u>(71,724)</u>
At end of year	<u>-</u>	<u>-</u>

Deferred tax assets and liabilities are attributable to the following items:

Year ended 31 December 2023

	At start of year USD	Prior year adjustments USD	Movement USD	At end of year USD
Deferred tax assets				
Plant and equipment	(27,600)	2,383	(750)	(25,967)
Other timing differences	(11,026)	17,507	6,307	12,788
Tax losses carried forward	<u>(33,098)</u>	<u>(18,463)</u>	<u>17,905</u>	<u>(33,656)</u>
Net deferred tax asset	(71,724)	1,427	23,462	(46,835)
Deferred tax not recognized	<u>71,724</u>	<u>1,427</u>	<u>23,462</u>	<u>46,835</u>
Net deferred tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Year ended 31 December 2022

Deferred tax assets

Plant and equipment	(30,815)	3,215	(27,600)
Other timing differences	6,110	(17,136)	(11,026)
Tax losses carried forward	<u>(54,821)</u>	<u>21,723</u>	<u>(33,098)</u>
Net deferred tax asset	(79,526)	7,802	(71,724)
Deferred tax not recognized	<u>79,526</u>	<u>(7,802)</u>	<u>71,724</u>
Net deferred tax	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax asset has not been recognised in these financial statements to the extent that the realisation of the related tax benefit through future taxable profits is not probable.

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NOTES (CONTINUED)

12. PROPERTY AND EQUIPMENT

	Leasehold improvement USD	Motor vehicles USD	Computer accessories USD	Furniture & fittings USD	Equipment USD	Total USD
At 1 January 2023						
Cost	3,966	90,867	243,366	61,436	189,170	588,805
Accumulated depreciation	(910)	(5,352)	(173,898)	(54,101)	(167,034)	(401,295)
Net book value	3,056	85,515	69,468	7,335	22,136	187,510
Year ended 31 December 2023						
At start of the year	3,056	85,515	69,468	7,335	22,136	187,510
Additions	-	-	25,522	8,540	14,410	48,472
Depreciation charge	(992)	(22,717)	(39,657)	(1,642)	(10,303)	(75,311)
Disposals	-	-	(11,735)	(4,100)	(7,599)	(23,434)
Accumulated depreciation on disposals	-	-	11,735	4,050	4,888	20,673
Closing net book value	2,064	62,798	55,333	14,183	23,532	157,910
At 31 December 2023						
Cost	3,966	90,867	257,153	65,876	195,981	613,843
Accumulated depreciation	(1,902)	(28,069)	(201,820)	(51,693)	(172,449)	(455,933)
Net book value	2,064	62,798	55,333	14,183	23,532	157,910

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Notes (Continued)

12. Property and Equipment (Continued)

	Leasehold improvement USD	Motor vehicles USD	Computer accessories USD	Furniture & fittings USD	Equipment USD	Total USD
At 1 January 2022						
Cost	2,789	-	245,301	62,556	215,351	525,997
Accumulated depreciation	-	-	(189,350)	(59,844)	(188,881)	(438,075)
Net book value	<u>2,789</u>	<u>-</u>	<u>55,951</u>	<u>2,712</u>	<u>26,470</u>	<u>87,922</u>
Year ended 31 December 2022						
At start of the year	2,789	-	55,951	2,712	26,470	87,922
Additions	1,177	90,867	43,143	6,204	5,373	146,764
Depreciation charge	(910)	(5,352)	(28,553)	(1,581)	(9,707)	(46,103)
Disposals	-	-	(45,078)	(7,324)	(31,554)	(83,956)
Accumulated depreciation on disposals	-	-	44,005	7,324	31,554	82,883
Closing net book value	<u>3,056</u>	<u>85,515</u>	<u>69,468</u>	<u>7,335</u>	<u>22,136</u>	<u>187,510</u>
At 31 December 2022						
Cost	3,966	90,867	243,366	61,436	189,170	588,805
Accumulated depreciation	(910)	(5,352)	(173,898)	(54,101)	(167,034)	(401,295)
Net book value	<u>3,056</u>	<u>85,515</u>	<u>69,468</u>	<u>7,335</u>	<u>22,136</u>	<u>187,510</u>

TWaweza East Africa

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
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NOTES (CONTINUED)

13. LEASES

(a) Right-of-use assets

	2023 USD	2022 USD
Cost		
At January	383,173	383,173
Additions	336,993	-
Write-off	<u>(317,489)</u>	<u>-</u>
At 31 December	<u>402,677</u>	<u>383,173</u>
Depreciation		
At January	234,832	115,752
Charge for the year	119,080	119,080
Write-off	<u>(317,489)</u>	<u>-</u>
At 31 December	<u>36,423</u>	<u>234,832</u>
Carrying amount		
At 31 December	<u>366,254</u>	<u>148,341</u>
(b) Lease liabilities		
At 1 January	114,036	234,453
Addition	336,993	-
Interest expense to lease liability	2,960	13,527
Exchange gain on lease liabilities	(10,888)	(4,140)
Repayment of lease liability (including interest)	<u>(129,754)</u>	<u>(129,804)</u>
	<u>313,347</u>	<u>114,036</u>
Analyzed as:		
Non-current	220,571	28,317
Current	<u>92,776</u>	<u>85,719</u>
	<u>313,347</u>	<u>114,036</u>
Maturity analysis:		
Year 1	92,776	85,719
Year 2	121,484	15,639
Year 3	<u>99,087</u>	<u>12,678</u>
	<u>313,347</u>	<u>114,036</u>

The Organization does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Organization's operations function.

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NOTES (CONTINUED)

	<u>2023</u> USD	<u>2022</u> USD
13. LEASES (Continued)		
	2,960	
(c) Amounts recognized in the statement of financial performance.		
Depreciation expense on right-of-use assets (Note 8)	119,080	119,080
Interest expense on lease liabilities (Note 13b)	2,960	13,527
Exchange gain on lease liabilities (Note 8)	(10,888)	(4,140)

(d) The Organization's leasing activities

The Organization has 3 leased office buildings in Tanzania, Kenya and Uganda. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The average lease term is 31 months (2022: 24 months).

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes. The Organization's obligations are secured by the lessors' title to the leased assets for such leases.

The Organization has no options to purchase the leased assets at the end of the lease term. There are no extension or termination options on the leases. To determine the incremental borrowing rate, the Organization:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

	<u>2023</u> USD	<u>2022</u> USD
14. OTHER RECEIVABLES		
Prepayments	169,759	175,043
Deposits	10,881	2,253
Staff debtors	100	59
	180,740	177,355

The carrying amounts of accounts receivable are denominated in the following currencies:

United States dollars	132,733	128,833
Kenyan shillings	14,143	17,785
Ugandan shillings	30,391	30,737
Tanzanian shillings	3,473	-
	180,740	177,355

15. CASH AND BANK BALANCES

Bank balances	461,317	653,849
Short term deposits	721,728	701,435
Petty cash balances	914	893
	1,183,959	1,356,177

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NOTES (CONTINUED)

	<u>2023</u> USD	<u>2022</u> USD
16. DEFERRED CAPITAL GRANTS		
At start of year	187,510	87,922
Received during the year (note 17)	48,472	146,764
Depreciation released to income	(75,311)	(46,103)
Released on disposal	(2,761)	(1,073)
At end of year	<u>157,910</u>	<u>187,510</u>

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Notes (Continued)

**17. RECEIVABLE FROM NON-EXCHANGE TRANSACTIONS
GRANT FUNDS RECEIVABLE/ (DEFERRED INCOME GRANTS)**

	Opening balance USD	Cash received during the year USD	Grant charged USD	Closing balance USD	Grant funds receivable USD	Deferred income grants USD
Year ended 31 December 2023						
Hewlett Foundation	(142,977)	(1,250,000)	1,391,103	(1,874)	-	(1,874)
American Jewish World Service	(80,914)	(525,000)	605,098	(816)	-	(816)
SIDA Tanzania	-	(1,050,249)	1,048,836	(1,413)	-	(1,413)
WPF	(142,977)	(500,000)	642,112	(865)	-	(865)
Embassy of Finland	-	-	-	-	-	-
Embassy of Switzerland to Tanzania and Zambia	-	(280,000)	299,596	19,597	19,597	-
Ford Foundation	(37,174)	(260,000)	296,774	(400)	-	(400)
Foundation for Open Society	-	-	-	-	-	-
Georgetown University	-	-	-	-	-	-
South African Institute of International Affairs (SAIIA)	-	(14,310)	14,311	-	-	-
The Hempel Foundation	28,789	(500,000)	490,550	19,339	19,339	-
Total	(375,253)	(4,379,559)	4,788,380	33,568	38,936	(5,368)
Recognised as:						
Capital grant (Note 16)	-	-	48,472	-	-	-
Income grant (Note 6)	-	-	4,739,908	-	-	-
	-	-	4,788,380	-	-	-

TWAWEZA EAST AFRICA

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
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NOTES (CONTINUED)

17. GRANT FUNDS RECEIVABLE/ (DEFERRED INCOME GRANTS) (CONTINUED)

	Opening balance USD	Cash received during the year USD	Grant charged USD	Closing balance USD	Grant funds receivable USD	Deferred income grants USD
Year ended 31 December 2022						
Hewlett Foundation	-	(1,000,000)	857,023	(142,977)	-	(142,977)
American Jewish World Service	-	(525,000)	444,086	(80,914)	-	(80,914)
SIDA Tanzania	500,000	(2,065,566)	1,565,566	-	-	-
WPF	-	(1,000,000)	857,023	(142,977)	-	(142,977)
Embassy of Finland	-	(450,337)	450,337	-	-	-
Embassy of Switzerland to Tanzania and Zambia	-	(600,000)	600,000	-	-	-
Ford Foundation	-	(260,000)	222,826	(37,174)	-	(37,174)
Foundation for Open Society	100,000	(100,000)	-	-	-	-
Georgetown University	110,000	(110,000)	-	-	-	-
Uraia Trust	-	(20,000)	20,000	-	-	-
The Hempel Foundation	-	-	28,789	28,789	28,789	-
Total	710,000	(6,130,903)	5,045,650	(375,253)	28,789	(404,042)
Recognised as:						
Capital grant (Note 16)	-	-	146,764	-	-	-
Income grant (Note 6)	-	-	4,898,886	-	-	-
	-	-	5,045,650	-	-	-

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ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES (CONTINUED)

	<u>2023</u> USD	<u>2022</u> USD
18. PAYABLES UNDER EXCHANGE TRANSACTIONS		
Accruals and other payables	376,744	185,491
Statutory liabilities	<u>491,690</u>	<u>481,592</u>
	<u>868,434</u>	<u>667,083</u>

19. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party by participating in its financial or operational policy decisions.

Transactions with related parties are consummated on terms substantially equivalent to those that prevail in an arm's length transaction.

Remuneration paid to key management personnel who were on contractual terms is as set out below:

	<u>2023</u> USD	<u>2022</u> USD
Key management remuneration		
Salaries and other short-term benefits	<u>883,344</u>	<u>883,344</u>

Key management personnel are described as those personnel having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of that entity. The amount was paid to 7 members of the senior management team.

20. EVENTS AFTER REPORTING DATE

The management is not aware of any events that have occurred between the date of financial reporting period and when the financial statements are authorized for issue to be disclosed.

21. COMMITMENTS AND CONTINGENCIES

Contingencies:

There are no contingencies at the year-end.

Commitments:

Twaweza East Africa's general contractual approach is to account and pay after delivery of work and scrutiny of reports. In 2023 a number of payments were not made due to partial delivery or inadequate provision of evidence/reporting. Operating costs do not include contractual commitments made but not paid out because the delivery of work and scrutiny of reports was outstanding as at year-end. The total outstanding value of signed direct program contracts not yet paid on 31 December 2023 was USD 93,411 (2022: USD 437,651).

22. LEGAL STATUS

The Organization is registered as a Non-Governmental Organization and hence the Members of the Organization have the ownership and fiduciary responsibility over the Organization's affairs, assets and liabilities.

ANALYSIS OF DETAILED BUDGET VERSUS ACTUAL EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2023

Description	Tanzania		Uganda		Kenya		Regional		Combined		% Variance
	Annual Budget	Actual Expenditure	Annual Budget	Actual Expenditure	Annual Budget	Actual Expenditure	Annual Budget	Actual Expenditure	Annual Budget (USD)	Actual Expenditure (USD)	
Civic Space & Citizen Agency											
Mission O1: Citizen agency	117,575	118,526	182,726	172,993	-	-	-	-	300,301	291,520	
Mission O2: Citizen voices	169,743	90,391	335,326	230,770	147,946	142,552	-	-	653,015	463,713	
Mission O3: Civic space	149,920	177,190	13,000	-3,973	-	-	-	-	162,920	173,217	
Staff costs - Civic Space & Citizen Agency	215,048	245,633	204,598	201,768	27,293	25,536	783,052	715,844	1,229,991	1,188,780	
Total Civic Space & Citizen Agency	652,286	631,740	735,650	601,558	175,239	168,088	783,052	715,844	2,346,227	2,117,230	90%
Education											
Kiufunza III	551,428	533,175	-	-	-	-	-	-	551,428	533,175	
Staff costs - Kiufunza	75,245	74,818	-	-	-	-	-	-	75,245	74,818	
Total Education	626,673	607,993	-	-	-	-	-	-	626,673	607,993	97%
Learning and Strategy											
L&S Mission 1: Monitoring	63,000	53,089	42,800	27,823	25,500	6,867	-	-	131,300	87,779	
L&S Mission 2: Evaluation	14,760	1,591	26,250	3,281	6,000	1,129	-	-	47,010	6,001	
L&S Mission 3: Learning	7,200	6,983	3,000	3,581	-	358	15,000	12,695	25,200	23,617	
Staff costs - L&S	82,382	86,153	35,260	45,587	27,495	30,687	277,380	294,159	422,517	456,586	
Total L&S	167,342	147,816	107,310	80,272	58,995	39,040	292,380	306,854	626,027	573,983	92%
Operations and finance											
Ops and Finance	268,006	237,772	136,306	131,051	89,137	55,198	76,095	59,316	570,144	483,337	
Staff costs - Ops and Fin	107,417	111,506	104,146	102,918	73,671	71,954	466,309	461,805	751,543	748,183	
Total Ops and Finance	375,423	349,278	241,052	233,969	162,808	127,152	542,404	521,121	1,321,687	1,231,520	93%
Governance and Management											
G1: Planning and reporting	-	-	-	-	-	-	10,000	4,613	10,000	4,613	
G2: Management and strategic support	-	-	-	-	-	-	26,000	45,877	26,000	45,877	
G3: Compliance	-	-	-	-	-	-	31,500	33,967	31,500	33,967	
G4: Governance	-	-	-	-	-	-	14,450	11,194	14,450	11,194	
Staff costs - GovMan	-	-	-	-	-	-	162,486	162,003	162,496	162,003	
Total Governance and management	-	-	-	-	-	-	244,446	257,654	244,446	257,654	106%
Grand total	1,821,724	1,736,827	1,084,012	915,799	397,042	334,280	1,862,282	1,801,473	5,165,060	4,788,380	95%
Less: Assets purchased during the year										48,472	
Office rent payment during the year										127,654	
Foreign exchange gain on lease liability										10,888	
Add: Depreciation on property and equipment										4,601,366	
Depreciation on right of use of asset										75,311	
Interest expenses on lease liability										119,080	
Net book value of assets written off										2,960	
										2,761	
Total expenditure (per financial statements)										4,801,478	