



TWAVEZA EAST AFRICA

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

TWAVEZA EAST AFRICA

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TABLE OF CONTENTS

	Page
Organization information	1
Report by those charged with governance	2 -13
Statement of directors' responsibilities	14
Declaration of the head of finance	15
Independent auditor's report	16 -18
Financial statements:	
Statement of financial performance	19
Statement of financial position	20
Statement of changes in net assets	21
Statement of cash flows	22
	23 - 48
Notes to the financial statement	
Appendix – Analysis of detailed budget versus actual expenditure report	

TWaweza East Africa

**ORGANIZATION INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

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 2024

The Directors of Twaweza East Africa submit their report together with the audited financial statements for the year ended 31 December 2024, 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.

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.

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.

2. PRINCIPAL ACTIVITIES

The principal activities of Twaweza East Africa aim to contribute in rebuilding trust between citizens and their governments in order to improve the well-being of East African citizens with a particular focus on women, youth and other marginalized groups. We intend to enhance better citizen-government relations by focusing on both sides of the social contract. On one side, we empathetically engage government systems of local governments so that they can meaningfully promote inclusion, accountability, citizen participation and transparency in their work. And on the other side we promote active citizen agency through supporting citizens directly, amplifying their voices and promoting an enabling environment for civic engagement.

Organization vision

Twaweza believe in 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.

Organization missions

- i. Demonstrating citizen agency and government responsiveness to build trust.
- ii. Generating evidence for better decisions and actions by citizens and government.
- iii. Strengthening civil society sector to enhance its legitimacy and impact.

Objectives

Twaweza aims for ambitious strategic outcomes at two levels: institutional outcomes and people level outcomes. Our institutional outcomes (i.e. systems change) are at three levels: supporting national level institutions of local governments to become more proactive in promoting inclusion, accountability, transparency and participation; supporting higher local government authorities in promoting inclusive planning and budgeting processes and; supporting lower local governments in organizing regular and dynamic village meetings accessible to all citizens. Ultimately, these improved systems of local governments will be better positioned to improve the lives of ordinary citizens, especially women and youth, across the region (i.e., impact at scale). This overarching objective reflects our expanded ambition to contribute to deep change through a sharper focus on government behavior.

TWaweza EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACTIVITIES (CONTINUED)

Strategies/ tactics

Twaweza uses the following approaches to achieve systems change and people level outcomes:

- i. **Credible Evidence** – rigorously collected and compellingly communicated, and focused on citizens' lived experiences, will underpin all of our work and learning.
- ii. **Intentional Organizing** – we deploy our convening power, capacity and influence to bring people and organizations 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 19 of the financial statements.

Activities implemented

During the year, Twaweza East Africa implemented over 80% 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.

Since 2018, Twaweza and partners have used the animation approach (Participatory Action Research) to drive community-led change in five districts in Tanzania and Uganda. In our current strategy (2024-2027), we are expanding to two more districts in each country and introducing the approach in two Kenyan counties. Our goal is to scale the model further by collaborating with local change agents, civil society organizations, and governments.

In 2024, we focused on continuing implementation in 10 districts in Tanzania and Uganda while laying the groundwork for scaling the approach to many more districts in the two countries. We organized workshops in Dar es Salaam and Kampala for our nine implementing partners to introduce our 2024–2027 strategic plan, refine reporting tools, and strengthen collaboration among partners. We also conducted efficiency audits in nine districts, identifying financial and operational weaknesses and emphasizing the need for improved accountability and capacity-building.

In Kigoma, Tanzania, we worked with district officials to enhance collaboration through a workshop on local government planning. This engagement helped align citizen-led initiatives with governance processes.

To spread the animation approach, we introduced it at a social behavior change curriculum event in Uganda and engaged with Tanzanian audiences through media discussions. Our Executive Director also promoted the approach internationally to donors and stakeholders.

We conducted a baseline study in Kigoma, surveying 522 households to support program expansion. Our midline evaluations in Uganda and Tanzania found increased community engagement and problem-solving but revealed challenges such as poor communication, weak mentorship, and high turnover among female change agents.

TWaweza East Africa

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3. PERFORMANCE FOR THE YEAR (CONTINUED)

Through review sessions in Tanzania, we confirmed that communities remain active in-service delivery projects. Our workshops with 391 participants reinforced collaboration, accountability, and sustainability. Moving forward, we will address operational challenges and strengthen support mechanisms to ensure long-term success.

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 2024 include:

In Tanzania, we organized a public launch event to disseminate findings from Sauti za Waandishi conducted in late 2023, we collected fresh data on citizens views on Tanzania Development Vision 2050 and shared the findings with the Vision drafting commission and presented part of the findings at the CSO week event in Arusha in September 2024. In collaboration with the Chanzo (a digital only media platform), we organized two discussion sessions with motorcycle riders and market women leaders that were aired live on online TV to amplify their voices as we headed towards local government elections.

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 2024 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 2024. 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: Strengthening civil society for enhanced legitimacy and impact.

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 2024 include:

- Collaborating with the Tanzania Centre for Democracy (TCD) and the Office of the Registrar of Political Parties (ORPP) to organize three national multi-stakeholder conferences on electoral laws reforms and promoting free and fair elections in Tanzania.
- Providing technical support to our strategic partners including: training on organizational financial management systems, program reporting and monitoring, evaluation and learning for Equality for Growth (EfG), Tanzania Bora Initiative and The Chanzo.
- Organizing the 6th national Civil Society Week in September 2024 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 in May 2024 in Dodoma.
- Collaborating with International Media Support (IMS) Tanzania office to convene a group of 24 diverse media stakeholders to analyze the current media situation in Tanzania, develop plausible scenarios of the Tanzanian media in 2050 and apply the causal layered approach (CLA) to identify strategies and tactics that media actors can undertake to achieve media freedom and independence in the future in Tanzania.

TWaweza East Africa

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3. PERFORMANCE FOR THE YEAR (CONTINUED)

Mission 3: Strengthening civil society for enhanced legitimacy and impact (Continued)

Overall Strategy Goal: Strengthening local government systems to amplify citizens' voices and improve the well-being of 10 million East Africans

Our primary approach involves empathetic engagement with relevant institutions of local government at both national and local levels. We believe that by helping local governments embrace inclusion, transparency, participation, and accountability in their work, they will be better positioned to serve their communities effectively. Strengthened citizen-government relations will enable 10 million East Africans to experience respectful interactions with their leaders, feel that their voices matter, and benefit from improved public service delivery.

To support governments in working more effectively with citizens, we will apply empathetic engagement, credible evidence, intentional organizing, equitable partnerships, and compelling storytelling. As we lay the foundation for this ambitious goal, our key achievements in 2024 include:

- **Defining a clear results framework** that outlines our strategic goal and intended contributions. This framework will guide our planning, implementation, monitoring, evaluation, and learning efforts.
- **Conducting comprehensive studies** in each country to better understand the systems, structures, and processes of local governments, ensuring that our strategies are well-informed.
- **Building collaborative relationships** with key government ministries, departments, and agencies. In Uganda, we engaged the Ministry of Local Government and the Office of the Prime Minister through event participation and office visits. In Tanzania, we provided technical and financial support to the Ministry of Local Government's citizen participation unit in reviewing guidelines and integrating monitoring and evaluation systems. In Kenya, we held discussions with institutions responsible for public participation, including the State Department for Devolution (SDD), County Assemblies Forum (CAF), Council of Ward Administrators of Kenya (COWAK), and the Council of Governors (COG). Additionally, we drafted Memorandums of Understanding (MoUs) with TAMISEMI in Tanzania and CAF in Kenya to formalize collaborations.

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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 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 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	Resigned on 11 November, 2024
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

Members are required to meet at least once in a year, through the Annual General Meeting (AGM). Extraordinary meetings of members can be called as and when required based on the urgency of the matter at hand. During the year ended 31 December 2024, there was an AGM held on 4 April, 2024. The following were the agendas and key resolutions reached in the last AGM.

TWaweza EAST AFRICA**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024****4. ORGANISATION GOVERNANCE (CONTINUED)****MATTERS DELIBERATED IN THE ANNUAL GENERAL MEETING**

Key Agendas discussed in the AGM.

S/N	Agenda	Key Resolution	Directive or proposal to those charged with governance
1.	Review and approval of annual report 2023.	The annual reports 2023 were approved.	Creation of an outcome framework for the overall strategy and submit to members by June 30, 2024.
2.	Review and approval of audited financial statements.	The audited financial statements were approved.	None
3.	Appointment of External Auditors for the year 2024.	Members approved the proposal to appoint PricewaterhouseCoopers (PwC) as external auditors for the year 2024	None

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 2024 except otherwise stated are:

Name	Position	Qualification	Nationality	Year Appointed
Getrude Mugizi	Director	Economist, public service and social accountability expert since 2005.	Tanzanian	Appointed 30 April 2021
Charles Businge	Director	Director of Southern Africa-Sub-Region at Plan International.	Ugandan	Appointed on 1 January 2020
Rebeca Gyumi	Director	Executive Director and Founder of Msichana Initiative.	Tanzanian	Appointed on 24 September 2019
Prof. Mussa J. Assad	Director	Deputy Vice Chancellor – Administration & Finance of Muslim University of Tanzania. Former Controller and Auditor General of Tanzania.	Tanzanian	Appointed on 1st September 2022
Adv. Bahame Tom Nyanduga	Director	Former Chairperson of the Commission for Human Rights and Good Governance of the United Republic of Tanzania.	Tanzanian	Appointed on 1st September 2022

TWAVEZA EAST AFRICA**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024****4. ORGANISATION GOVERNANCE (CONTINUED)****MATTERS DELIBERATED IN THE ANNUAL GENERAL MEETING**

Key Agendas discussed in the AGM.

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2.	Review and approval of audited financial statements.	The audited financial statements were approved.	None
3.	Appointment of External Auditors for the year 2024.	Members approved the proposal to appoint PricewaterhouseCoopers (PwC) as external auditors for the year 2024	None

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TWAVEZA EAST AFRICA**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024****4. ORGANISATION GOVERNANCE (CONTINUED)****MATTERS DELIBERATED BY THOSE CHARGED WITH GOVERNANCE**

Those charged with governance and their committees are required to meet four times a year (i.e., once in every quarter).

(a) During the year ended 31 December 2024, those charged with governance met three times in the following Board meetings to discuss and approve matters as indicated hereunder: -

Board Meeting Number and Date	Agenda	Key Resolutions
Meeting no 1/2024 of 4 April, 2024.	<ol style="list-style-type: none"> 1. Minutes and Matters arising from the Board meeting on December 14, 2023 2. Annual Report 2023 3. Audited Financial Statements 2023 4. Appointment of Auditors 5. Budget and Funding update 6. Board matters 7. AOB 	<p>The Board of Directors recommended the following items for Member approval;</p> <ol style="list-style-type: none"> 1. Annual report 2023. 2. Audited Financial Statements 2023. 3. Appointment of Auditors.
Meeting no 2/2024 of 18 July, 2024.	<ol style="list-style-type: none"> 1. Opening. 2. Adoption of Agenda. 3. Minutes & Matters Arising from the Board Meeting on April 4, 2024. 4. Twaweza East Africa Results framework. 5. Mid-term review report (Narrative & Budget) and Funding update. 6. Board Matters. 7. AOB. 8. Closing 	<p>Approval of the 2024 budget reduction from \$5.1 million to \$4.66 million.</p>
Meeting no 3/2024 of	<ol style="list-style-type: none"> 1. Opening. 2. Adoption of the Agenda. 3. Minutes & Matters Arising from Board Meeting of July 18, 2024, 2024. 4. Annual Plan and Budget 2025. 5. Funding status and Development Plan 2025. 6. Board Matters. 7. AOB. 8. Closing. 9. Executive Session of the Board. 	<p>The Board resolved to approve the Annual plan and \$ 4.39 budget for 2025.</p>

TWAVEZA EAST AFRICA

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4. ORGANISATION GOVERNANCE (CONTINUED)

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
Anastazia Rugaba	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

*Aidan Eyakuze, the Executive Director resigned in December, 2024, his last day of work was 28 February, 2025. A comprehensive transition plan has been implemented, including the appointment of an Interim Executive Director, Violet Alinda (Director of Voice and Participation). The new Executive Director was appointed on 24 March 2024.

5. FUTURE DEVELOPMENT PLANS

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 year 2024 marked the first year of our current strategic plan, which is the fourth since Twaweza was created in 2009. 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.

Building on our past relations with relevant governmental institutions responsible for coordinating local governments in Kenya (the State Department for Devolution/ SDD), Tanzania (the President's Office – Regional Administration and Local Governments/ PO-RALG) and Uganda (the Ministry of Local Governments and the Office of the Prime Minister), in 2024 we deepened our engagement with them given the critical roles they play in our current strategy. In 2025, we will finalize and/or operationalize the cooperation agreements with them to set us on path towards realizing the institutional level outcomes.

Our evidence-based and empathetic engagement with government systems of local governments at the national and sub-national level will draw from 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.

TWaweza East Africa

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5. FUTURE DEVELOPMENT PLANS (CONTINUED)

In 2025, our primary focus under Mission 1 will be expanding the animation approach to reach more communities. This will be achieved through collaboration with change agents, local governments, and civil society organizations. We will organize sessions to introduce Participatory Action Research (PAR) principles and media engagement, fostering greater interest in the approach among stakeholders in different locations.

Under Mission 2, we will emphasize the systematic tracking of commitments made by government authorities. This will help ensure the meaningful inclusion of citizens' voices in decision-making processes, promote government responsiveness, and rebuild trust between citizens and their governments.

Mission 3 will focus on expanding strategic support for civil society organizations (CSOs). Additionally, we will work to promote an enabling legislative and funding environment for CSOs, addressing the challenges posed by the evolving political, economic, and financial landscape.

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 785 (2023: USD 995) 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.

TWaweza EAST AFRICA**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024****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 2024 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, as detailed below, 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.

Below is the list of new signed funding commitments from 1 January, 2025.

S/n	Donor name	Contract duration	Contract amount in USD	Contract period
1	William and Flora Hewlett Foundation	2 years	2,500,000	1/03/ 2025 to 28/02/ 2027
2	The Ford foundation	5 years	2,015,000	1/04/2025 to 31/03/2030
			4,515,000	

TWAVEZA EAST AFRICA**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024****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 2024, Twaweza had 35 employees (20 women and 15 men) as per the table below;

	2024	%	2023	%
Female	20	57.1	23	59
Male	15	42.9	16	41
Total	35	100	39	100

12. RELATED PARTY TRANSACTIONS

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

13. LEGAL STRUCTURE

Twaweza East Africa Group has the following legal entities;

- Twaweza East Africa registered as a Non-Governmental Organization in Tanzania on 21 August 2019 under registration number OONGO/R2/0000422, Originally incorporated in Tanzania under the Companies Act, No.12 of 2002 on 15 December, 2014.
- Twaweza East Africa registered in Uganda under Company Act as Twaweza East Africa on 16 February 2015 under registration number F.2593
- Twaweza Ni Sisi registered in Kenya under Company Act as Company Limited by Guarantee on 19 January 2022 under registration number CLG-55FRYP

14. AUDITORS

PricewaterhouseCoopers were the auditors for the Organization for the year ended 31 December, 2024.

TWaweza East Africa

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15. 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

Bahame Tom Nyanduga

Adv. Bahame Tom Nyanduga
Chairperson

2025-06-06
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TWaweza EAST AFRICA

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

The directors of Twaweza East Africa are required to prepare consolidated 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 and Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Organisation and Group. 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 Group 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 and Group 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:

Bahame Tom Nyanduga

Adv. Bahame Tom Nyanduga
Chairperson

Violet Alinda

Violet Alinda
Ag. Executive Director

2025-06-06

TWAVEZA EAST AFRICA

DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2024

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 consolidated 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 consolidated financial statements for the year ended 31 December 2024 have been prepared in compliance with International Public Sector Accounting Standards (IPSASs)

I thus confirm that the consolidated financial statements of Twaweza East Africa for the year ended 31 December 2024 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.

Richard Modest

Richard Modest
Head of Finance
NBAA Membership No. ACPA 2238

2025-06-09

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Independent auditor's report (continued)

To the Members of Twaweza East Africa

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Twaweza East Africa (the 'Organisation') and its entities (together the 'Group') as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

What we have audited

Twaweza East Africa's consolidated financial statements as set out on pages 19 to 48 comprise:

- the consolidated statements of financial position as at 31 December 2024;
- the consolidated statements of financial performance for the year then ended;
- the consolidated statements of changes in net assets for the year then ended;
- the consolidated statements of cash flows 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 consolidated 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 consolidated 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.

Material Uncertainty Relating to Going Concern

Without qualifying our opinion, we draw attention to note 3(b) to the financial statement which indicates that the group and organization incurred a net loss of USD 582,216 and USD 573,308, respectively for the year ended 31 December 2024 which was funded through the internal reserves. Moreover as at 31 December 2024, the organization had a reserve of USD 37,025 only (2023 USD 619,214). These conditions indicates the existence of material uncertainty that may cast significant doubt on the organization's ability to continue as a going concern.

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 – analysis of detailed budget versus actual expenditure report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements

Responsibilities of Those Charged with Governance for consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements in accordance with International Public Sector Accounting Standards (IPSAS), and for such internal control as directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, directors are responsible for assessing the Group'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 directors either intends to liquidate the Group and/or Organisation or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's and Organisation's 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 directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated 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 Group and/or Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report (continued)

To the Members of Twaweza East Africa

Report on the audit of the consolidated financial statements

Auditor's responsibilities for the audit of the financial statements

We communicate with members 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.



Nelson E Msuya, FCPA – PP 1091

For and on behalf of PricewaterhouseCoopers

Certified Public Accountants

Dar es Salaam

Date: 12 Jun 2025

TWaweza East Africa**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****STATEMENT OF FINANCIAL PERFORMANCE**

		<u>GROUP</u>		<u>ORGANISATION</u>	
	Note	<u>2024</u> USD	<u>2023</u> USD	<u>2024</u> USD	<u>2023</u> USD
Revenue					
Revenue from non-exchange transactions					
Grants	6	3,347,803	4,739,908	1,716,723	2,768,259
Deferred capital grant released to revenue	17	68,873	78,072	45,531	54,936
		3,416,676	4,817,980	1,762,254	2,823,195
Other income	7	35,848	45,089	34,960	45,089
Operating costs	8	(3,985,278)	(4,798,518)	(2,330,355)	(2,812,641)
Operating (deficit)/surplus		(532,754)	64,551	(533,141)	55,643
Finance costs - interest expense on lease liability	13(b)	(30,931)	(2,960)	(21,636)	(2,960)
(Deficit) /Surplus before income tax		(563,685)	61,591	(554,777)	52,683
Income tax expense	10(a)	(18,531)	(7,673)	(18,531)	(7,673)
(Deficit)/ surplus for the year		(582,216)	53,918	(573,308)	45,010

TWaweza East Africa**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****STATEMENT OF FINANCIAL POSITION**

		GROUP		ORGANISATION	
	Note	2024 USD	2023 USD	2024 USD	2023 USD
ASSETS					
Non-current assets					
Property and equipment	12	102,096	157,910	72,553	110,856
Right-of-use asset	13(a)	239,603	366,254	144,237	216,356
		341,699	524,164	216,790	327,212
Current assets					
Income tax recoverable	10(b)	28,029	36,501	28,029	36,500
Grants Receivables	18	-	38,936	-	38,936
Amount owed from group companies	15	-	-	99,413	16,265
Other receivables	14	173,958	180,740	112,577	120,820
Cash and bank balances	16	542,466	1,183,959	335,842	1,009,729
		744,453	1,440,136	575,861	1,222,250
TOTAL ASSETS		1,086,152	1,964,300	792,652	1,549,462
RESERVES AND LIABILITIES					
RESERVES					
General reserve		37,025	619,241	37,025	610,333
LIABILITIES					
Non-current liabilities					
Deferred capital grants	17	102,096	157,910	72,553	110,856
Lease liability	13(b)	110,393	220,571	79,091	150,992
		212,489	378,481	151,644	261,848
Current liabilities					
Trade and other payables	19	748,464	868,434	532,082	580,305
Amount owed to group companies	20	-	-	-	26,244
Deferred income grants	18	-	5,368	-	5,368
Lease liability	13(b)	88,174	92,776	71,901	65,364
		836,638	966,578	603,983	677,281
TOTAL LIABILITIES		1,049,127	1,345,059	755,627	939,129
TOTAL RESERVES AND LIABILITIES		1,086,152	1,964,300	792,652	1,549,462

The financial statements on page 19 to 46 were approved and authorized for issue by the Board of Directors on 2025-06-06 and signed on its behalf by:

Bahame Tom Nyanduga

Adv. Bahame Tom Nyanduga
Chairperson

Violet Alinda

Violet Alinda
Ag. Executive Director

TWAVEZA EAST AFRICA**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****STATEMENT OF CHANGES IN NET ASSETS**

	<u>GROUP</u> USD	<u>ORGANISATION</u> USD
<i>Year ended 31 December 2024</i>		
At start of the year	619,241	610,333
Total comprehensive loss for the year	<u>(582,216)</u>	<u>(573,308)</u>
At the end of year	<u><u>37,025</u></u>	<u><u>37,025</u></u>
<i>Year ended 31 December 2023</i>		
At start of the year	565,323	565,323
Total comprehensive income for the year	<u>53,918</u>	<u>45,010</u>
At the end of year	<u><u>619,241</u></u>	<u><u>610,333</u></u>

TWAVEZA EAST AFRICA**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****STATEMENT OF CASH FLOWS**

	Note	GROUP		ORGANISATION	
		2024	2023	2024	2023
		USD	USD	USD	USD
Cash flow from operating activities					
(Deficit)/surplus before income tax		(563,685)	61,591	(563,685)	52,683
Adjusted for:					
Gain on disposal of assets	7	(2,217)	(309)	(2,217)	(309)
Deferred capital grant released on disposal of asset	7	(1,070)	(2,761)	(182)	(2,761)
Depreciation charge – property and equipment	8	67,803	75,311	45,349	52,175
Depreciation charge – right-of-use assets	8	126,652	119,080	72,119	66,219
Interest expense on lease liability		30,931	2,960	21,636	-
Exchange gain on lease liability	8	(222)	(10,888)	-	-
Deferred capital grant released to revenue		(67,803)	(75,311)	(45,349)	(52,175)
		(409,611)	169,673	(472,329)	115,832
Changes in working capital:					
Decrease/ (increase) in grants funds receivable		38,935	(10,147)	38,935	(10,147)
Decrease/ (increase) in other receivables		6,782	(3,385)	(53,561)	93,531
(Decrease)/ increase in deferred income grants		(5,368)	(398,674)	(5,369)	(398,674)
(Decrease)/ increase in trade and other payables		(119,970)	201,351	(86,901)	238,480
		(489,232)	(41,182)	(579,225)	47,930
Tax paid	10(b)	(10,059)	(4,352)	(10,059)	(4,352)
Cash used in/ (generated from) operations		(499,291)	(45,534)	(589,284)	43,578
Cash flows from investing activities:					
Plant and equipment acquired	12	(13,059)	(48,472)	(7,227)	(27,780)
Proceeds from sale of assets		3,287	3,070	2,399	3,070
Cash used in investing activities		(9,772)	(45,402)	(4,828)	(24,710)
Cash flows from financing activities:					
Receipt of capital grant	17	13,059	48,472	7,227	27,780
Office lease paid	13(b)	(145,489)	(129,754)	(87,000)	(72,000)
Cash flows from financing activities		(132,430)	(81,282)	(79,773)	(44,220)
Movement in cash and cash equivalents					
Net decrease		(641,493)	(172,218)	(673,887)	(25,352)
At the beginning of the year		1,183,959	1,356,177	1,009,729	1,035,081
At the end of the year	16	542,466	1,183,959	335,842	1,009,729

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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.

Twaweza East Africa have the following legal entities;

- Twaweza East Africa registered as a Non-Governmental Organization in Tanzania on 21 August 2029 under registration number OONGO/R2/0000422
- Twaweza East Africa registered in Uganda under Company Act as Twaweza East Africa on 16 February 2015 under registration number F.2593
- Twaweza Ni Sisi registered in Kenya under Company Act as Company Limited by Guarantee on 19 January 2022 under registration number CLG-55FRYP

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

The consolidated 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 consolidated financial statements have been prepared based on historical cost.

3. SUMMARY OF MATERIAL 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 consolidated 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.

(b) Going Concern Consideration

For the year ended 31 December 2024, the group and organization incurred a net loss of USD 582,216 and USD 573,308 respectively which resulted to utilization of the reserve balance by 94%.

The group and organization are not aware of any material uncertainties that may cast significant doubt upon their ability to continue as a going concern. Subsequently to the year end the group has signed commitments of USD 4,515,000 from William and Flora Hewlett Foundation and The Ford foundation.

TWaweza East Africa

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policy and disclosures

New and amended standards adopted by the Organization.

In the current period, the Group and Organisation applied all relevant IPSASs issued by the International Public Sector Accounting Standards Board (IPSASB) that are mandatorily effective for accounting period ended 31 December 2024. There are no standards and interpretations that are effective for the first time for the financial period that would have material impact on the Group and Organisation.

Standard not yet effective but early adopted by the Organization

Title	Effective date	Executive summary
IPSAS 43, Leases	Annual periods beginning on or after 1 January 2025 (Published January 2022)	IPSAS 43 is based on International Financial Reporting Standard (IFRS16, Leases). For lessees, IPSAS 43 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.

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

Title	Effective date	Executive summary
IPSAS 45, Property, Plant and Equipment	Annual periods beginning on or after 1 January 2025 (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	Annual periods beginning on or after 1 January 2025 (Published May 2023)	IPSAS 46 provides detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. It defines measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. And identifies approaches under those measurement bases to be applied through individual IPSAS.
IPSAS 47, Revenue	Annual periods beginning on or after 1 January 2026 (Published May 2023)	IPSAS 47 set out accounting requirements for revenue transactions in the public sector. It will replace IPSAS 9 (revenue from exchange transactions), 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.
IPSAS 48, Transfer Expenses	Annual periods beginning on or after 1 January 2026 (Published May 2023)	IPSAS 48 introduces guidance for transfer expenses, where a transfer provider provides resources to another entity without receiving anything directly in return, which is common situation in the public sector globally. The accounting for transfer expenses is driven by whether the transaction results in an enforceable right to have the transfer recipient satisfy their obligations. To operationalize this principle, IPSAS 48 presents two accounting models based on the existence or not of a binding arrangement.

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Use of estimates and judgements

The preparation of consolidated 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 consolidated 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.

(e) General reserves

General reserves represent 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.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements 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.

(g) 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****(h) 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.

(i) 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.

(j) Financial instruments

Financial instruments are recognised on the Group and Organization's statement of financial position when 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.

TWaweza East Africa

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) 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 Group and 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.

(k) 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.

(l) 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.

TWaweza East Africa**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****(m) 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 Group and Organization is registered, using substantively enacted tax rates in Tanzania where the Group and 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.

(n) Receivables from non-exchange transactions

Receivables from non-exchange transactions comprise contractual commitments from donors/development partners where the Group and 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.

(o) 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.

(p) Deferred income grants

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

TWaweza East Africa

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits - Retirement benefit obligation

The Group and 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 Group and 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 Group and Organization has no further payment obligations once the contributions have been paid. The Group and Organization and all its employees contribute to the National Social Security Fund (NSSF) and Jubilee Insurance which are defined contribution scheme.

(r) 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.

(s) 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).

(t) Leases

The Group and Organization assesses whether a contract is or contains a lease, at inception of the contract. The Group and Organization recognizes 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 Group and Organization recognizes 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.

TWaweza East Africa

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) 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 Group and 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 Group and 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 Group and 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 Group and 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****(t) 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 Group and 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 Group and Organization's activities expose it to a variety of financial risks, namely: market risk, credit risk and liquidity risk. The Group and 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 Group and 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 Group and 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 Group and 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 Group and 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 Group and 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 2024, 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 15,374 (2023: USD 21,529) 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 2024, 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 5,195 (2023: USD 8,066) 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 2024, 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 5,558 (2023: USD 3,087) higher/lower mainly as a result of foreign exchange gains/losses on translation of Kenyan Shillings denominated payables, receivables and cash.

TWaweza East Africa**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****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:

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	USD	USD	USD	USD
Cash at bank (note 15)	541,212	461,317	335,466	287,763
Short term deposit (note 15)	-	721,728	-	721,728
Staff debtors (note 14)	251	100	251	
Deposits (note 14)	10,853	10,881	6,831	7,480
Receivables from non-exchange transaction (note 17)	-	38,936	-	38,936
	552,316	1,232,962	342,548	1,055,907

No collateral is held for any of the above assets.

(c) Liquidity risk

Liquidity risk is the risk that the Group and 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 Group and 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.

	GROUP	ORGANISATION
	Less than	Less than 1
	1 year	year
	USD	USD
At 31 December 2024		
- payables under exchange transactions (note 18)	254,573	236,331
At 31 December 2023		
- payables under exchange transactions (note 18)	376,744	330,674

TWaweza EAST AFRICA

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 Group and 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 Group and 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.

TWaweza East Africa

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	USD	USD	USD	USD
6. INCOME GRANTS				
Amount released from deferred income grants (Note 18)	3,347,803	4,739,908	1,716,723	2,768,259
7. OTHER INCOME				
Contribution from other organizations	15,712	16,234	15,712	16,234
Deferred capital grant released on disposed assets	1,070	2,761	182	2,761
Gain on disposed assets	2,217	309	2,217	309
Interest income	16,849	25,785	16,849	25,785
	35,848	45,089	34,960	45,089
8. OPERATING COSTS				
Demonstrating agency and responsiveness	206,782	291,520	64,212	118,526
Generating evidence				
• Citizen voices	274,619	463,713	121,113	90,391
• Organization learning and strategy	77,496	117,395	31,037	69,044
• Kiufunza	475,786	533,175	475,786	533,175
Promoting and protecting open civic space	-	173,218	-	177,190
Strengthening Civil Societies	12,969	-	12,969	-
Engaging with institutions	54,118	-	28,684	-
Governance and management*	2,883,508	3,219,497	1,596,554	1,824,315
	3,985,278	4,798,518	2,330,355	2,812,641
*Governance and management costs includes the following:				
Management and strategic support	105,101	95,652	61,650	55,619
Program staff costs (Note 9a)	1,689,520	1,882,188	964,114	1,088,103
Support staff costs (Note 9b)	641,678	748,183	322,890	380,037
Office running costs	122,873	165,207	65,662	94,688
Value Added Tax, on office rent	18,863	15,145	16,561	12,960
Communications/ Internet/ Utilities	108,370	110,601	48,868	66,844
Travel and transport	5,557	17,252	1,363	5,487
Exchange movement on conversion between bank accounts	(3,757)	(994)	(2,204)	-578
Depreciation of property and equipment	67,803	75,311	45,349	52,175
Equipment written off	1,070	2,761	182	2,761
Exchange gain on lease liability	(222)	(10,888)	-	-
Depreciation - Right to use assets	126,652	119,080	72,119	66,219
	2,883,508	3,219,498	1,596,554	1,824,315

TWaweza East Africa**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)**

	<u>GROUP</u>		<u>ORGANISATION</u>	
	<u>2024</u> <u>USD</u>	<u>2023</u> <u>USD</u>	<u>2024</u> <u>USD</u>	<u>2023</u> <u>USD</u>
9. EMPLOYEE BENEFIT COSTS				
a) Program employee				
Salaries	1,340,544	1,468,768	762,483	849,291
Skills and Development Levy	30,269	34,333	22,266	25,688
Social Security Contributions	145,192	159,058	82,891	91,319
Health and group insurance	85,181	83,489	44,674	43,749
Other staff benefits	109,056	112,274	64,624	62,873
Staff leave	(56,741)	(6,976)	(32,955)	(2,377)
Workers Compensation Fund	4,047	4,748	3,065	3,557
Severance pay	28,561	24,710	15,621	13,158
Housing levy	3,299	1,784	1,423	846
National Industrial Training Authority	112	-	22	-
	<u>1,689,520</u>	<u>1,882,188</u>	<u>964,114</u>	<u>1,088,103</u>
b) Support employees				
Salaries	512,346	578,326	255,364	292,386
Skills and Development Levy	14,032	18,687	9,514	12,224
Social Security Contributions	53,745	59,931	27,002	30,656
Health and group insurance	48,161	52,834	24,237	24,372
Other staff benefits	26,674	26,545	13,003	14,701
Staff leave	(25,928)	(1,960)	(12,606)	(1,606)
Workers Compensation Fund	2,127	2,408	1,428	1,639
Severance pay	9,736	11,016	4,948	5,664
Housing Levy	729	396	-	-
National Industrial Training Authority	56	-	-	-
	<u>641,678</u>	<u>748,183</u>	<u>322,890</u>	<u>380,037</u>

TWAVEZA EAST AFRICA

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

10. INCOME TAX

	Group and Organisation <u>2024</u> <u>USD</u>	Group and Organisation <u>2023</u> <u>USD</u>
a) Income tax expense		
Income tax current	<u>18,531</u>	<u>7,673</u>
Reconciliation of effective tax		
Surplus before income tax	<u>563,686</u>	<u>61,591</u>
Tax credit calculated at 30%	(169,106)	18,477
Items not deductible for tax purposes	7,025	13,177
Alternative Minimum Tax at 0.5%	16,925	
FAR adjustment	(597)	(519)
Under provision of corporate tax for earlier years	1,606	
Deferred tax movement not recognized	<u>162,678</u>	<u>(23,462)</u>
Income tax expense	<u>18,531</u>	<u>7,673</u>
b) Income tax recoverable		
At start of year	36,501	39,822
Current tax charge – Note 10(a)	(18,531)	(7,673)
Income tax paid	<u>10,059</u>	<u>4,352</u>
At end of year	<u>28,029</u>	<u>36,501</u>

11. DEFERRED INCOME TAX

Deferred income tax is calculated using the enacted income tax rate of 30% (2023: 30%). The movement on the deferred income tax account is as follows:

	<u>2024</u> <u>USD</u>	<u>2023</u> <u>USD</u>
At start of year	-	-
Deferred tax asset	(206,638)	46,835
Deferred tax not recognized	<u>206,638</u>	<u>(46,835)</u>
At end of year	-	-

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

TWAVEZA EAST AFRICA**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)****11. DEFERRED INCOME TAX (CONTINUED)****Year ended 31 December 2024**

	At start of year USD	Prior periods USD	Movement USD	At end of year USD
Deferred tax assets				
Plant and equipment	(25,967)	3,661	(4,359)	(26,665)
Other timing differences	12,788	(12,507)	(10,590)	(10,309)
Tax losses carried forward	(33,656)	11,721	(147,729)	(169,664)
Net deferred tax asset	(46,835)	2,875	(162,678)	(206,638)
Deferred tax not recognized	46,835	(2,875)	162,678	206,638
Net deferred tax	-	-	-	-

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	(33,098)	(18,463)	17,905	(33,656)
Net deferred tax asset	(71,724)	1,427	23,462	(46,835)
Deferred tax not recognized	71,724	1,427	23,462	46,835
Net deferred tax	-	-	-	-

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

TWaweza East Africa

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

12. PROPERTY AND EQUIPMENT

Year ended 31 December 2024	Leasehold improvement USD	Motor vehicles USD	Computer accessories USD	Furniture & fittings USD	Equipment USD	Total USD
GROUP						
At 1 January 2024						
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
Year ended 31 December 2024						
At start of the year	2,064	62,798	55,333	14,183	23,532	157,910
Additions	-	-	1,705	-	11,354	13,059
Depreciation charge	(992)	(22,717)	(30,209)	(2,213)	(11,672)	(67,803)
Disposals	-	-	(12,141)	-	(3,684)	(15,825)
Accumulated depreciation on disposals	-	-	11,121	-	3,634	14,755
Closing net book value	1,072	40,081	25,809	11,970	23,164	102,096
At 31 December 2024						
Cost	3,966	90,867	246,717	65,876	203,651	611,077
Accumulated depreciation	(2,894)	(50,786)	(220,908)	(53,906)	(180,487)	(508,981)
Net book value	1,072	40,081	25,809	11,970	23,164	102,096

TWaweza East Africa**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)****12. PROPERTY AND EQUIPMENT (CONTINUED)****Year ended 31 December 2023**

GROUP	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

TWaweza East Africa

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

NOTES (CONTINUED)

12. PROPERTY AND EQUIPMENT (CONTINUED)

Year ended 31 December 2024	Leasehold improvement USD	Motor vehicles USD	Computer accessories USD	Furniture & fittings USD	Equipment USD	Total USD
ORGANISATION						
At 1 January 2024						
Cost	3,967	90,867	153,110	40,543	112,562	401,048
Accumulated depreciation	(1,902)	(28,069)	(130,660)	(29,656)	(99,905)	(290,192)
Net book value	2,065	62,798	22,450	10,887	12,657	110,856
Year ended 31 December 2024						
At start of the year	2,065	62,798	22,450	10,887	12,657	110,856
Additions	-	-	-	-	7,227	7,227
Depreciation charge	(992)	(22,717)	(13,083)	(1,669)	(6,888)	(45,349)
Disposals	-	-	(3,229)	-	(3,329)	(6,558)
Accumulated depreciation on disposals	-	-	3,097	-	3,279	6,376
Closing net book value	1,073	40,081	9,235	9,218	12,946	72,553
At 31 December 2024						
Cost	3,967	90,867	149,881	40,543	116,460	401,718
Accumulated depreciation	(2,893)	(50,786)	(140,646)	(31,325)	(103,515)	(329,165)
Net book value	1,073	40,081	9,235	9,218	12,946	72,553

TWAZEZA EAST AFRICA

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

NOTES (CONTINUED)

12. PROPERTY AND EQUIPMENT (CONTINUED)

Year ended 31 December 2023	Leasehold improvement USD	Motor vehicles USD	Computer accessories USD	Furniture & fittings USD	Equipment USD	Total USD
ORGANISATION						
At 1 January 2023						
Cost	3,967	90,867	150,547	37,672	113,651	396,703
Accumulated depreciation	(910)	(5,352)	(122,672)	(32,518)	(97,238)	(258,691)
Net book value	3,056	85,514	27,874	5,154	16,413	138,012
Year ended 31 December 2023						
At start of the year						
Additions	-	-	14,299	6,971	6,511	27,780
Depreciation charge	(992)	(22,717)	(19,723)	(1,188)	(7,556)	(52,175)
Disposals	-	-	(11,735)	(4,100)	(7,599)	(23,435)
Accumulated depreciation on disposals	-	-	11,735	4,050	4,888	20,673
Closing net book value	2,065	62,798	55,333	14,183	23,531	157,910
At 31 December 2023						
Cost	3,967	90,867	153,110	40,543	112,562	401,048
Accumulated depreciation	(1,902)	(28,069)	(130,660)	(29,656)	(99,905)	(290,192)
Net book value	2,065	62,798	22,450	10,887	12,657	110,856

TWaweza East Africa**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)****13. LEASES**

	2024	GROUP	2024	ORGANISATION
	USD	2023	USD	2023
		USD		USD
(a) Right-of-use assets				
Cost				
At January	402,677	383,173	216,356	198,656
Additions	-	336,993	-	216,356
Write-off	-	(317,489)	-	(198,656)
At 31 December	402,677	402,677	216,356	216,356
Depreciation				
At January	36,422	234,832	-	132,437
Charge for the year	126,652	119,080	72,119	66,219
Write-off	-	(317,489)	-	(198,656)
At 31 December	163,074	36,423	72,119	-
Carrying amount				
At 31 December	239,603	366,254	144,237	216,356
(b) Lease liabilities				
At 1 January	313,347	114,036	216,356	69,040
Addition	-	336,993	-	216,356
Interest expense to lease liability	30,931	2,960	21,636	2,960
Exchange gain on lease liabilities	(222)	(10,888)	-	-
Repayment of lease liability (including interest)	(145,489)	(129,754)	(87,000)	(72,000)
	198,567	313,347	150,992	216,356
Analyzed as:				
Non-current	110,393	220,571	79,091	150,992
Current	88,174	92,776	71,901	65,364
	198,567	313,347	150,992	216,356
Maturity analysis:				
Year 1	88,174	92,776	71,901	65,364
Year 2	110,393	121,484	79,091	71,901
Year 3	-	99,087	-	79,091
	198,567	313,347	150,992	216,356

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

TWaweza East Africa

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

13. LEASES (CONTINUED)

	<u>GROUP</u>		<u>ORGANISATION</u>	
	<u>2024</u> USD	<u>2023</u> USD	<u>2024</u> USD	<u>2023</u> USD
(c) Amounts recognized in the statement of financial performance.				
Depreciation on right-of-use assets (Note 8)	126,652	119,080	72,119	66,219
Interest expense on lease liabilities (Note 13b)	30,931	2,960	21,636	2,960
Exchange gain on lease liabilities (Note 8)	(222)	(10,888)	-	--

(d) The Group and Organization's leasing activities

The Group and 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 19 months (2023: 31 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 Group and Organization's obligations are secured by the lessors' title to the leased assets for such leases.

The Group and 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 Group and 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.

14. OTHER RECEIVABLES

	<u>GROUP</u>		<u>ORGANISATION</u>	
	<u>2024</u> USD	<u>2023</u> USD	<u>2024</u> USD	<u>2023</u> USD
Prepayments	162,854	169,759	105,495	113,340
Deposits	10,853	10,881	6,831	7,480
Staff debtors	251	100	251	
	<u>173,958</u>	<u>180,740</u>	<u>112,577</u>	<u>120,820</u>
The carrying amounts of accounts receivable are denominated in the following currencies:				
United States dollars	120,519	132,733	111,495	132,733
Kenyan shillings	18,155	14,143	-	14,143
Ugandan shillings	31,781	30,391	-	30,391
Tanzanian shillings	3,503	3,473	1,082	3,473
	<u>173,958</u>	<u>180,740</u>	<u>112,577</u>	<u>180,740</u>

TWaweza EAST AFRICA**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)**

	<u>GROUP</u>		<u>ORGANISATION</u>	
	2024	2023	2024	2023
	USD	USD	USD	USD
15. AMOUNT OWED FROM GROUP COMPANIES				
Twaweza East Africa Uganda	-	-	94,965	16,265
Twaweza Ni Sisi	-	-	4,448	-
	<u>-</u>	<u>-</u>	<u>99,413</u>	<u>16,265</u>
16. CASH AND BANK BALANCES				
Bank balances	541,212	461,317	335,466	287,763
Short term deposits	-	721,728	-	721,728
Petty cash balances	1,254	914	376	238
	<u>542,466</u>	<u>1,183,959</u>	<u>335,842</u>	<u>1,009,729</u>
17. DEFERRED CAPITAL GRANTS				
At start of year	157,910	187,510	110,856	138,012
Grants received during the year	13,059	48,472	7,227	27,780
Release of capital grant to the statement of financial performance	(68,873)	(78,072)	(45,531)	(54,936)
At end of year	<u>102,096</u>	<u>157,910</u>	<u>72,553</u>	<u>110,856</u>

TWaweza East Africa

ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

18. GRANT RECEIVABLE/ (DEFERRED INCOME GRANTS

<u>GROUP</u>	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 2024						
Hewlett Foundation	(1,874)	(1,300,000)	1,301,874	-	-	-
American Jewish World Service	(816)	(450,000)	450,816	-	-	-
SIDA Tanzania	(1,413)	(702,441)	703,854	-	-	-
WPF	(865)	(250,000)	250,865	-	-	-
Embassy of Switzerland to Tanzania and Zambia	19,596	(19,596)	-	-	-	-
Ford Foundation	(400)	(260,000)	260,400	-	-	-
The Hempel Foundation	19,339	(412,392)	393,053	-	-	-
Total	33,567	(3,394,429)	3,360,862	-	-	-
Recognised as;						
Capital grant (Note 17)	-	-	13,059	-	-	-
Deferred income grant (Note 6) *	-	-	3,347,803	-	-	-
	-	-	3,360,862	-	-	-
*Deferred income grant split						
-Twaweza East Africa - Tanzania HQ			1,716,723			
-Twaweza East Africa Uganda and Twaweza Ni Sisi			1,631,080			
			3,347,803			

TWaweza East Africa**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)****18. 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 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)
Recognized as;						
Capital grant (Note 17)	-	-	48,472	-	-	-
Deferred income grant (Note 6)*	-	-	4,739,908	-	-	-
	-	-	4,788,380	-	-	-
*Deferred income grant split						
-Twaweza East Africa -Tanzania HQ			2,768,259			
-Twaweza East Africa Uganda and Twaweza Ni Sisi			1,971,649			
Total			4,739,908			

TWaweza EAST AFRICA**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****NOTES (CONTINUED)**

	<u>GROUP</u>		<u>ORGANISATION</u>	
	2024	2023	2024	2023
	USD	USD	USD	USD
19. PAYABLES UNDER EXCHANGE TRANSACTIONS				
Accruals and other payables	254,573	376,744	236,331	303,334
Statutory liabilities	493,891	491,690	295,751	276,971
	<u>748,464</u>	<u>868,434</u>	<u>532,082</u>	<u>580,305</u>
20. AMOUNT OWED TO GROUP COMPANIES				
Twaweza Ni Sisi	-	-	-	(26,244)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,244)</u>

21. RELATED PARTY DISCLOSURE

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>GROUP</u>		<u>ORGANISATION</u>	
	2024	2023	2024	2023
	USD	USD	USD	USD
Key management remuneration				
Salaries and other short-term benefits	<u>859,320</u>	<u>883,344</u>	<u>611,688</u>	<u>635,712</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 2024 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 2024 was USD 187,878 (2023: USD 93,411).

TWaweza East Africa

**ANNUAL REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES (CONTINUED)

22. LEGAL STATUS

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

100