# TWAWEZA EAST AFRICA

## ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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**TABLE OF CONTENTS**

## TWAWEZA EAST AFRICA

### ORGANISATION INFORMATION
### FOR THE YEAR ENDED 31 DECEMBER 2025

| | |
|---|---|
| Principal place of business | Plot No. 350, Ali Bin Said Street<br>Msasani<br>P.O. Box 38342<br>Dar es Salaam<br>Tanzania |
| Principal bankers | Stanbic Bank (T) Ltd<br>P.O. Box 75647<br>Dar es Salaam<br>Tanzania |
| Auditors | Ernst & Young<br>Certified Public Accountants (Tanzania)<br>P. O. Box 2475<br>Plot No. 162/1, Mzinga way, 14111<br>Oysterbay<br>Dar es Salaam<br>Tanzania |
| Lawyers | Victory Attorneys and Consultants<br>1st Floor, IT Plaza Building<br>Ohio Street/Garden Avenue<br>P.O. Box 72015<br>Dar es Salaam<br>Tanzania |

## TWAWEZA EAST AFRICA

## REPORT BY THOSE CHARGED WITH GOVERNANCE
## FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors of Twaweza East Africa submit their report together with the audited financial statements for the year ended 31 December 2025, which disclose the state of affairs of Twaweza East Africa (also referred to as "Twaweza" or "the Organisation").

### 1. INCORPORATION

Twaweza East Africa is a registered non-governmental organisation 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 organisation 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 Organisation 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 Organisation. The status change prompted the Organisation 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.

**Organisation 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.

**Organisation 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.

## 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 organisations together in the service of wider aims.

iii. **Equitable Partnerships** – we foster partnerships with diverse actors to better achieve our aims and embed our approaches and values while paying due attention to power dynamics.

iv. **Empathetic Engagement** – we are critical and supportive, creative and analytical, speaking to the motivations and barriers of those we seek to persuade.

v. **Compelling stories** – we view media as a critical partner in all of our work and use debate, transparency, agenda-setting, accountability and storytelling in the media to further all our objectives.

## 3. PERFORMANCE FOR THE YEAR

The financial performance for the year is set out on page 20 of the financial statements.

### Activities implemented

During the year, Twaweza East Africa implemented over 80% of its planned activities, contributing to the organisation's three strategic goals.

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

Since 2018, Twaweza has implemented the Participatory Action Research (PAR) approach—also referred to as the animation approach—in ten districts across Tanzania and Uganda. The approach brings together community change agents, local leaders, and citizens in collaborative processes aimed at strengthening local governance, social accountability, and community-led development. Through partnerships with civil society organisations and government institutions, Twaweza works to demonstrate the value of participatory governance and to support the scaling of the approach beyond direct implementation areas.

In 2025, implementation continued in five districts in Tanzania and four districts in Uganda, while preparatory work began for potential expansion into Kenya. Across these contexts, the focus remained on strengthening partnerships, building the capacity of local actors, and reinforcing institutional systems that enable citizen participation in decision-making.

In Tanzania, Twaweza deepened collaboration with implementing partners across Pangani, Kigoma-Ujiji, Mbogwe, Maswa, and Lindi. Partnership review meetings, technical mentoring, and finance audits strengthened partner performance, financial management, and accountability. Following the November 2024 local government elections, workshops were conducted in early 2025 to orient newly elected village and mtaa leaders to the animation approach and to clarify their roles in facilitating community participation. A total of 287 leaders participated across the five districts, helping to establish constructive working relationships between local authorities and community change agents.

Joint monitoring visits across ten villages provided insight into how village committees function and how citizens engage with local leadership. These visits confirmed positive practices such as regular committee meetings and increased openness around community financial matters, while also identifying areas where change agents required additional support. Throughout the year, mentoring and capacity-building visits reached more than 500 participants, focusing on strengthening implementation.

## 3. PERFORMANCE FOR THE YEAR (CONTINUED)

documentation, and inclusive participation. In several districts, workshops equipped change agents with digital storytelling skills to document community issues and progress using mobile technology.

Evidence from monitoring and an endline evaluation covering over 1,000 households indicated modest but meaningful improvements. Citizen participation in community groups increased, meetings were held more regularly, and dialogue between citizens and local leaders expanded. Transparency improved in some villages, particularly through greater public sharing of financial information. Communities also reported incremental improvements in certain services, including roads and electricity. However, trust in local government remained limited, and women and youth continued to be underrepresented in community leadership structures.

In Uganda, the program focused on consolidating PAR across Rubanda, Kyenjojo, Kole, and Kamuli districts. The emphasis was on strengthening the ecosystem that supports animation, including implementing partners, community change agents, citizen committees, and local government institutions. Partnership review meetings and monitoring exercises supported improved reporting, efficiency, and program coordination.

Community-level engagement remained strong. Thirty-five village consultative planning meetings were held with participation from more than 1,500 citizens, generating over 60 development issues that were submitted to Parish Development Committees. Regular village meetings and participatory planning exercises helped strengthen connections between citizens and formal government planning processes.

Institutionally, progress was made in embedding participatory practices within local government systems. Memoranda of Understanding were signed with several district governments, and 276 local government officials were oriented on participatory governance tools. These efforts supported the integration of citizen priorities into district planning processes.

Program documentation, media engagement, and public storytelling amplified examples of citizen-led change and encouraged replication in additional communities. Evidence generated through monitoring and evaluation confirmed high levels of civic awareness and willingness among citizens to engage in local development processes.

In Kenya, 2025 focused on preparatory work rather than implementation. Exploratory engagements in Laikipia, Nakuru, and Kakamega counties assessed the feasibility of introducing PAR within the devolved governance system. Based on these assessments, Laikipia County was selected as a potential entry point due to demonstrated openness from county leadership and the presence of credible civil society partners. A baseline study involving over 550 respondents provided initial insights into participation patterns and governance dynamics, laying the foundation for future programming.

Overall, 2025 demonstrated the continued relevance of participatory approaches in strengthening citizen engagement and local accountability. Through sustained partnerships, capacity building, and evidence-based learning, Twaweza contributed to expanding citizen voice and improving dialogue between communities and public institutions across East Africa.

**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.

In 2025, Twaweza used **Sauti za Wananchi (SzW)** across Kenya, Tanzania and Uganda to generate timely, credible citizen evidence and ensure that public debates and policy discussions reflect citizens' experiences and priorities. Through nationally representative telephone surveys and targeted engagement with government, civil society, media and citizens, we translated data into dialogue and action at national and sub-national levels.

## 3. PERFORMANCE FOR THE YEAR (CONTINUED)

**Kenya.** In Kenya, we implemented a nationally representative SzW call round on democracy, participation and trust, complemented by boosted county cohorts to strengthen county-level insight while maintaining comparability with national results. We produced three tailored outputs—Laikipia and Kakamega county briefs and a national brief—alongside four national factsheets. These informed strategic engagements with county governments, civil society and national actors. In Laikipia, an executive briefing and county launch brought together government leaders, civil society, media and citizens, leading the county government to acknowledge gaps in citizen communication and begin exploring improvements, including peer learning with Nandi County's toll-free call centre model and the Citizen Feedback App. Nationally, SzW findings informed discussions within the Kenya CSOs Devolution Working Group and contributed to civil society advocacy ahead of the Devolution Conference. Engagements with partners including Mzalendo Trust also connected citizen evidence to debates on the Public Participation Bill (2025), open government commitments and fiscal transparency.

**Tanzania.** In Tanzania, SzW operated within a more constrained political environment, requiring adaptive strategies to balance evidence generation with risk management. Two complementary approaches defined the year. First, Twaweza drew on longitudinal data—including the Sauti@10 compendium—to inform ongoing dialogue with state and non-state actors. These insights highlighted enduring citizen priorities and informed discussions on government communication and engagement. Second, new data collection in 2025 focused on election preparedness and citizen agency, reaching a large and diverse sample across mainland Tanzania and Zanzibar. Findings revealed a nuanced picture: while many citizens report confidence in solving problems and engaging with others, a significant proportion still experience limited agency. Participation in community activities remains relatively strong, but translating this into influence over formal governance processes remains uneven. Given the sensitivity of the electoral context, dissemination of certain findings was limited to closed-door engagements, ensuring that evidence could inform decision-making without exposing stakeholders to risk. This experience reinforced the need to diversify methodological approaches. Limitations of phone-based surveys—particularly in politically sensitive contexts—highlighted the importance of complementing quantitative data with qualitative and narrative-based methods. Moving forward, Twaweza will adopt a more mixed-methods approach to strengthen the reliability, depth, and usability of citizen evidence.

**Uganda.** In Uganda, SzW used data from call round nine to inform national and local dialogue on livelihoods, service delivery and governance. Eight outputs—including briefs, factsheets and workshops—supported engagement with parliamentarians, government agencies, civil society and media. Evidence on citizen priorities informed discussions with members of parliament ahead of the national budget, while youth-focused findings were launched during World Youth Day to facilitate dialogue on employment and youth participation. Workshops with the United Nations Association Uganda, the Uganda Bureau of Statistics and the Office of the Prime Minister strengthened the capacity of local leaders to use citizen-generated evidence in policymaking. Additional engagements in Mbale brought together local government officials, media and citizens to discuss corruption, service delivery and regional priorities. These efforts reinforced the value of citizen evidence in informing public debate and strengthening accountability across government systems.

### Mission 3: Strengthening civil society for enhanced legitimacy and impact.

This mission focuses primarily on Tanzania, where Twaweza is best positioned to contribute to civil society field building, while also pursuing selective opportunities in Kenya and Uganda. It responds to a constrained environment marked by declining legitimacy, limited resources, and shrinking civic space. Twaweza's approach emphasizes strengthening CSO effectiveness and resilience, fostering collaboration, and promoting constructive engagement between citizens and the state.

Implementation was significantly constrained, with only four of twenty planned outputs delivered due to funding limitations and restrictions on convenings, media engagement, and collective action. In response, Twaweza prioritized strategic engagements that sustained influence while informing adaptation of its approach.

## 3. PERFORMANCE FOR THE YEAR (CONTINUED)

**Kenya.** In Kenya, Twaweza contributed to national civic space initiatives through participation in the Integrity Walk and the Annual Civic Space Protection Summit convened by the Civic Freedom Forum. Drawing on Sauti za Wananchi evidence on trust, citizen participation and governance, we demonstrated how citizen-generated data can inform both public debate and policy advocacy. These engagements strengthened partnerships with organisations including Transparency International Kenya, the Institute of Public Finance Kenya and the Kenya Human Rights Commission, while also deepening collaboration with youth-led movements. Our experience reinforced the importance of translating data into compelling stories rooted in citizens' lived experiences. It also highlighted the role of youth creativity and county-level engagement in embedding citizen voice within Kenya's devolved governance system.

**Uganda.** In Uganda, Twaweza co-created and delivered a side event at the 11th Africa Regional Forum on Sustainable Development together with national and regional civil society partners. The dialogue convened more than 100 participants—including grassroots organisations, youth and women's networks, academics, development partners and government representatives—to discuss partnerships for sustainable development (SDG 17) and the Pact for the Future. The event positioned citizen-generated data as a practical tool for accountability and inclusive governance. Twaweza's proposal to Africa Datafest 2025 was also accepted, and our lightning session demonstrated how disaggregated Sauti za Wananchi data can inform gender-, youth- and disability-responsive policymaking, strengthening equitable participation in Africa's evolving digital and data ecosystems.

**Tanzania.** In Tanzania, Twaweza participated in CSO Week in Arusha, contributing to national conversations on navigating intersecting crises. Despite the cancellation of one session due to security concerns, two sessions were successfully convened. The From Hopes to Action session engaged around 60 participants using the Polak Game to explore optimism and agency, revealing moderate agency overall and stronger optimism among younger participants. A second session, co-hosted with TAMISEMI, brought together over 40 participants to discuss how CSOs can support the Opportunities and Obstacles to Development (O&OD) framework, fostering practical dialogue and collaboration.

Twaweza also contributed to World Press Freedom Day, co-organizing and moderating discussions on media, data, and innovation, while distributing over 600 publications to amplify evidence and public engagement.

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

In 2025, Twaweza made steady, system-oriented progress toward its goal of supporting local governments to embody inclusion, transparency, and accountability. Central to this work is the understanding that improved public services and governance outcomes hinge on strengthening citizen–state relationships. By focusing on how local government systems function in practice—and how they respond to citizen priorities—Twaweza aims to improve the lives of 10 million citizens, particularly women and youth.

Our approach blends three mutually reinforcing pathways: direct engagement with government institutions, catalyzing internal motivation and peer learning within government, and mobilizing external actors to advocate for participatory governance. These are operationalized through five core tactics—empathetic engagement, credible evidence, intentional organizing, meaningful collaboration, and compelling storytelling—allowing simultaneous influence at policy, institutional, and community levels. Progress across Tanzania, Kenya, and Uganda demonstrates that governance change is gradual, relational, and contingent on aligning technical inputs with institutional incentives and political realities.

In Tanzania, a key milestone was formalizing a strategic partnership with the Prime Minister's Office – Regional Administration and Local Government (TAMISEMI). A Memorandum of Understanding enabled structured collaboration on the Improved Opportunities and Obstacles to Development (O&OD) framework. Twaweza contributed to revising guidelines, strengthening monitoring systems, and introducing gender- and age-disaggregated indicators. These steps illustrate how long-term partnerships and co-created reforms can embed inclusion and accountability within government systems.

## 3. PERFORMANCE FOR THE YEAR (CONTINUED)

In Kenya, Twaweza linked national policy processes with local practice. Engagements with the State Department for Devolution and Parliament advanced the Public Participation Bill and national devolution assessments, with citizen-generated evidence from Sauti za Wananchi shaping dialogue. At county level, stakeholder dialogues in Laikipia and the launch of a call centre in Kakamega demonstrated practical approaches to participation and accountability, highlighting the importance of locally tested models alongside national advocacy.

In Uganda, efforts focused on building institutional foundations for future systems influence. Collaborations with the Office of the Prime Minister and Ministry of Local Government integrated government officials into subnational activities and accountability forums. Capacity-building initiatives, including Evidence-Informed Policy Making workshops in Mbale, equipped officials to use data in planning. These investments established a credible platform for future policy influence, emphasizing the need for sustained engagement, practical demonstration, and adaptation to local political and administrative contexts.

Across the three countries, key lessons emerge: institutional change requires trust-based, long-term engagement; evidence is most effective when embedded in decision-making and paired with demonstration; and national reforms must be translated into meaningful local practice to achieve sustained impact.

## 4. ORGANISATION GOVERNANCE

The Board consists of seven directors headed by a Board Chairperson. The Board takes overall responsibility for the Organisation, 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 organisation'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 Organisation and who are the supreme decision makers of the Organisation;
- Twaweza East Africa board of directors oversee the activities of the Organisation and make decisions on the strategy, policies, plans, budgets and other operational aspects of the Organisation 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 Organisation.
- Twaweza East Africa Executive Director is responsible to lead and manage the day-to-day affairs of the Organisation.

## 4. ORGANISATION GOVERNANCE (CONTINUED)

### COMPOSITION OF THE MEMBERS

The members are the ultimate owners of the Organisation. They are the supreme decision-making organ of the Organisation 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 |
|---|---|---|---|---|
| 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 2025, there was an AGM held on11 April, 2025. The following were the agendas and key resolutions reached in the last AGM.

### 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 2024. | The annual reports 2024 were approved. | Management to compile and highlight the Board's comments on the Annual Report before the AGM to ensure members are informed and can build on the feedback provided. |
| 2. | Review and approval of audited financial statements. | The audited financial statements were approved. | An updated report with Tanzania-specific numbers to be provided and approved through a circular resolution. |
| 3. | Appointment of External Auditors for the year 2025. | Members approved the proposal to appoint Ernst & Young (EY) as external auditors for the year 2025. | Management to establish a clear communication and planning process with the auditors, ensuring that audit requirements are clearly understood from the outset in order to avoid last-minute changes and prevent delays. |

## 4. ORGANISATION GOVERNANCE (CONTINUED)

### 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 2025 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 |

### 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 2025, 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 1/2025 of 8 April, 2025. | 1. Minutes and Matters arising from the Board meeting on December 17, 2024<br>2. Annual Report 2024<br>3. Audited Financial Statements 2024<br>4. Appointment of Auditors<br>5. Review of policies<br>6. Kiufunza Transition Plan<br>7. AOB | The Board of Directors recommended the following items for Member approval;<br>1. Annual report 2024.<br>2. Audited Financial Statements 2024.<br>3. Appointment of Auditors.<br><br>Furthermore, the board approved the tabled policies (retirement and internship). |
| Special Meeting. 9 September, 2025. | 1. Opening.<br>2. Adoption of Agenda: Restructuring of Twaweza East Africa.<br>3. Closing | Approval of Organisational restructuring plan and the hiring of an HR Consultant to lead change management. |
| Meeting no 3/2025 of 21 November, 2025. | 1. Opening<br>2. Adoption of Agenda<br>3. Organisational Restructure Proposal<br>4. Closing | Approval of Decentralized Organisational Structure' as the new structure for Twaweza East Africa. |

## 4. ORGANISATION GOVERNANCE (CONTINUED)

### COMPOSITION OF SENIOR MANAGEMENT TEAM

The Organisation'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 |
|---|---|
| Anna Bwana | 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 |

## 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.

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.

We look ahead to 2026 with optimism as we lay the groundwork for transformative work following a challenging 2025 marked by significant changes in the external context that necessitated internal changes as well. Across Tanzania, Kenya, and Uganda, NGOs operated in a significantly more constrained environment. We struggled to secure funding as donors prioritised existing grantees amid tighter funding conditions. The political context, particularly in Tanzania and Uganda, proved

## 5. FUTURE DEVELOPMENT PLANS (CONTINUED)

particularly difficult and made work on democracy and citizen participation riskier, slowing programme implementation and affecting our partners. Internally, the leadership transition at the Executive Director level and reduced funding necessitated organisational restructuring, including a 45% staff reduction and the departure of three senior management team members. Recognizing that our vision of a vibrant and open democratic society remains relevant and that our contribution is especially needed at times like these, we have organized our 2026 annual plans around three strategic priorities:

1. **Sharpening our strategy.** After two years of implementing the current strategic plan (2024–2027), which set us on a path to improving the wellbeing of 10 million people in East Africa by strengthening local government systems, we have reached a pivotal moment. Lessons from implementation, combined with shifts in internal and external contexts, make 2026 a critical year to revisit, refine, and sharpen our strategic focus.

2. **Building the right organisational culture.** We will focus on strengthening organisational culture following the 2025 restructuring and leadership transition, with emphasis on cohesion, clarity, and shared purpose.

3. **Continuing delivery of the current strategy.** We will continue a focused implementation of the 2024–2027 strategic plan to promote citizen-powered governments, particularly in a rapidly changing civic space both regionally and globally. We appreciate the flexibility granted by our partners and funders, which allows us to slow implementation where necessary to prioritise strategic clarity while strengthening team cohesion.

## 6. ENVIRONMENTAL CONSIDERATION

The Organisation is considering environment in their daily operations. The Organisation has automated most of its business processes in order to minimize the use of paper which can be harmful to the environment. The Organisation also engages waste disposal management and recycling specialists to manage hazardous and non-hazardous wastes generated in the course of operations. The Organisation plans to continue engaging professional waste management and recycling specialist in disposing all waste materials. During the year a total of USD 580 (2024: USD 785) 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 Organisation. 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 Organisation'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.

## 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 Organisation 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 2025 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. | • Seek out new donors and new grant possibilities with existing donors to expand income base.<br>• Active donor and stakeholder engagement on the progress of the organisation.<br>• Periodic review of the activities/programmes to ensure that they are aligned to strategic objectives.<br>• 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. | • Conduct regular assessment of the Organisation's data security and implement recommendations as appropriate.<br>• Provide training to staff on data security, policies and guidance on the use of Twaweza devices for personal use.<br>• 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 Organisation.

## 9. SOLVENCY

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

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

## 11. GENDER PARITY

The Organisation is committed to ensuring gender parity. As at 31 December 2025, Twaweza had 34 employees (21 female and 13 male) as per the table below;

| | 2025 | % | 2024 | % |
|---|---|---|---|---|
| Female | 21 | 62 | 20 | 57.1 |
| Male | 13 | 38 | 15 | 42.9 |
| **Total** | 34 | **100** | **35** | **100** |

## 12. RELATED PARTY TRANSACTIONS

The details of related party transactions and balances are disclosed in Note 20 of the financial statement.

## 13. LEGAL STRUCTURE

Twaweza East Africa Group has the following legal entities;

- Twaweza East Africa registered as a Non-Governmental Organisation 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

The auditors, Ernst & Young, have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as the Organisation's auditors for the subsequent year will be put to the next Annual General Meeting for approval.

**Organisation's External Auditors:**

Ernst & Young
Certified Public Accountants
EY House Plot No. 162/1, Mzinga Way,
P. O. Box 2475
14111 Oysterbay,
Dar es Salaam, Tanzania
Company Registration No: 154167
TIN No: 100-149-222
NBAA Registration No: PF 151

## 15. RESPONSIBILITY OF THE AUDITORS

Auditors are responsible for providing reasonable assurance of the correctness and consistency of each and every information contained in the report by those charged with governance with those provided in the financial statements.

## 16. 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 Organisation 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 organisation.

By order of the Board of those charged with Governance

| | |
|---|---|
| Adv. Bahame Tom Nyanduga | Anna Bwana |
| **Chairperson** | **Executive Director** |
| 14/04/**2026** | 14/04/**2026** |

**TWAWEZA EAST AFRICA**

## STATEMENT OF DIRECTORS' RESPONSIBILITIES
## FOR THE YEAR ENDED 31 DECEMBER 2025

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 Group and Organisation keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Organisation. They are also responsible for safeguarding the assets of the organisation and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

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

Nothing has come to the attention of the directors to indicate that the Group and Organisation 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:

Adv. Bahame Tom Nyanduga
**Chairperson**

14/04/**2026**

Anna Bwana
**Executive Director**

14/04/**2026**

**TWAWEZA EAST AFRICA**

## DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025 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 2025 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
Head of Finance
NBAA Membership No. ACPA 2238

14/04/ ...............................**2026**

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Ernst & Young
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www.ey.com
TIN: 100-149-222
VRN: 10-007372-Z

**INDEPENDENT AUDITOR'S REPORT**
**To the Members of TWAWEZA EAST AFRICA**

## REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### Opinion

We have audited the Consolidated and separate financial statements of Twaweza East Africa ("the Organisation") and its subsidiaries ("the Group") set out on pages 20 to 49, which comprise the Consolidated and separate statement of financial position as at 31 December 2025, and the Consolidated and separate statement of financial performance, Consolidated and separate statement of changes in net assets and Consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policies information.

In our opinion, the Consolidated and separate financial statements present fairly, in all material respects, the Consolidated and separate financial position of the Group and Organisation as at 31 December 2025, and its Consolidated and separate financial performance and its Consolidated and separate cash flows for the year then ended in accordance with International Public-Sector Accounting Standards as Issued by the International Public Sectors Accounting Standards Board and the requirements of the Tanzanian Non-Governmental Organisation Act, 2002 [R.E 2019] of Tanzania.

### 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 and separate Financial Statements section of our report. We are independent of the Group and Organisation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of Consolidated and separate financial statements of the Group and Organisation in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group an Organisation and in Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 3(b) to the financial statements, which indicate that the Group's and Organisation's current liabilities exceeded current assets by USD 74,008 and USD 92,185 (2024: USD 15,439 and USD 28,122) respectively. As stated in Note 3(b), these events or conditions, along with other matters set forth in Note 3(b), indicate that a material uncertainty exists that may cast significant doubt on the Group and Organisation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Matter

The Consolidated and separate financial statements of the Group and Organisation for the year ended 31 December 2024, were audited by another auditor who expressed unqualified Opinion on those Consolidated and separate financial statements on 12 June 2025.

### Other Information

The Directors of Twaweza East Africa are responsible for the other information. The other information comprises the information included in the pages 1 to 19 of the document titled "Twaweza East Africa Annual Reports and Consolidated and Separate Financial Statements for the Year Ended 31 December 2025", which includes Group and Organisation Information, Report by Those Charged with Governance as required by Non-Governmental Organisation Act, 2002 [R.E.2019] of Tanzania, Statement of Directors' Responsibilities, and Statement of Declaration of the Head of Finance. The other information does not include the Consolidated and Separate Financial Statements and our auditor's report thereon.

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**
**To the Members of TWAWEZA EAST AFRICA**

**REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

**Other Information (Continued)**
Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance thereon.

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

**Responsibilities of the Directors for the Consolidated and Separate Financial Statements**
The members are responsible for the preparation and fair presentation of the Consolidated and separate financial statements, in accordance with International Public Sectors Accounting Standards as issued by International Public Sectors Accounting Standards Board and the requirements of the Non-Governmental Organisation Act, 2002 [R.E 2019] of Tanzania, and for such internal control as the members determine is necessary to enable the preparation of Consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**
Our objectives are to obtain reasonable assurance about whether the Consolidated and separate 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 and separate 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 and separate 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.

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**
**To the Members of TWAWEZA EAST AFRICA**

**REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

**Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the Going Concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 and separate 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 Organisation to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the Consolidated and separate financial statements, including the disclosures, and whether the Consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young

**Ernst & Young**
**Certified Public Accountants**
**Dar es Salaam, Tanzania**

20/04/2026
**Date**

**NBAAVN:** 25ACPA3438KH6DHHRR

**Deokari S Mkenda (ACPA 3438)**
**Partner**

TWAWEZA EAST AFRICA

ANNUAL REPORTS AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2025

| | | GROUP | | ORGANISATION | |
|---|---|---|---|---|---|
| | Note | 2025 | 2024 | 2025 | 2024 |
| | | USD | USD | USD | USD |
| **Revenue from non-exchange transactions** | | | | | |
| Grants | 6 | 3,888,898 | 3,347,803 | 2,049,627 | 1,716,723 |
| Deferred capital grant released to revenue | 17 | 60,738 | 68,873 | 41,672 | 45,531 |
| | | **3,949,636** | **3,416,676** | **2,091,299** | **1,762,254** |
| **Revenue from exchange transactions** | | | | | |
| Other income | 7 | 8,707 | 35,848 | 8,351 | 34,960 |
| Operating costs | 8 | (3,943,350) | (3,985,278) | (2,081,921) | (2,330,355) |
| **Operating surplus/ (deficit) for the year** | | **14,993** | **(532,754)** | **17,729** | **(533,141)** |
| Finance costs - interest expense on lease liability | 13(b) | (17,172) | (30,931) | (11,671) | (21,636) |
| **Surplus/ (deficit) before income tax** | | **(2,179)** | **(563,685)** | **6,058** | **(554,777)** |
| Income tax expense | 10(a) | 6,487 | (18,531) | 6,487 | (18,531) |
| **Surplus/ (deficit) after income tax** | | **4,308** | **(582,216)** | **12,545** | **(573,308)** |

TWAWEZA EAST AFRICA

ANNUAL REPORTS AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2025

| | Note | GROUP 2025 USD | GROUP 2024 USD | ORGANISATION 2025 USD | ORGANISATION 2024 USD |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property and equipment | 12 | 63,844 | 102,096 | 47,905 | 72,553 |
| Right-of-use asset | 13(a) | 204,511 | 239,603 | 110,398 | 144,237 |
| | | **268,355** | **341,699** | **158,303** | **216,790** |
| **Current assets** | | | | | |
| Income tax recoverable | 10(b) | 47,098 | 28,029 | 47,046 | 28,029 |
| Grant funds receivable | 18 | 89,736 | - | 89,736 | - |
| Amount owed from Group companies | 15 | - | - | 273,812 | 99,413 |
| Other receivables | 14 | 213,761 | 173,958 | 114,133 | 112,577 |
| Cash and bank balances | 16 | 975,942 | 542,466 | 601,511 | 335,842 |
| | | **1,326,537** | **744,453** | **1,126,238** | **575,861** |
| **TOTAL ASSETS** | | **1,594,892** | **1,086,152** | **1,284,541** | **792,651** |
| **RESERVES AND LIABILITIES** | | | | | |
| **RESERVES** | | | | | |
| General reserve | | 41,333 | 37,025 | 49,570 | 37,025 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Deferred capital grant | 17 | 63,844 | 102,096 | 47,905 | 72,553 |
| Lease liability | 13(b) | 89,170 | 110,393 | 45,389 | 79,091 |
| | | **153,014** | **212,489** | **93,294** | **151,644** |
| **Current liabilities** | | | | | |
| Trade and other payables | 19 | 723,863 | 748,464 | 498,179 | 532,082 |
| Deferred income grants | 18 | 594,462 | - | 594,462 | - |
| Lease liability | 13(b) | 82,220 | 88,174 | 49,036 | 71,901 |
| | | **1,400,545** | **836,638** | **1,141,677** | **603,983** |
| **TOTAL LIABILITIES** | | **1,553,559** | **1,049,127** | **1,234,971** | **755,627** |
| **TOTAL RESERVES AND LIABILITIES** | | **1,594,892** | **1,086,152** | **1,284,541** | **792,652** |

The financial statements were approved and authorized for issue by the Board of Directors on

14/04/.............**2026** and signed on its behalf by:

Adv. Bahame Tom Nyanduga
**Chairperson**

Anna Bwana
**Executive Director**

**TWAWEZA EAST AFRICA**

**ANNUAL REPORTS AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2025**

| | GROUP USD | ORGANISATION USD |
|---|---|---|
| **Year ended 31 December 2025** | | |
| **At start of the year** | **37,025** | **37,025** |
| Total surplus for the year | 4,308 | 12,545 |
| **At the end of year** | **41,333** | **49,570** |
| **Year ended 31 December 2024** | | |
| **At start of the year** | **619,241** | **610,333** |
| Total deficit for the year | (582,216) | (573,308) |
| **At the end of year** | **37,025** | **37,025** |

TWAWEZA EAST AFRICA

ANNUAL REPORTS AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

| | Note | GROUP 2025 USD | GROUP 2024 USD | COMPANY 2025 USD | COMPANY 2024 USD |
|---|---|---|---|---|---|
| **Cash flow from operating activities** | | | | | |
| Surplus before income tax | | (2,179) | (563,685) | 6,058 | (554,777) |
| **Adjusted for:** | | | | | |
| Loss/ (gain) on disposal of assets | 7 | 712 | (2,217) | 712 | (2,217) |
| Deferred capital grant released on disposal of asset | 8 | (2,605) | (1,070) | (2,605) | (182) |
| Depreciation charge – property and equipment | 8 | 58,133 | 67,803 | 39,067 | 45,349 |
| Gain on lease modification - right of use asset | 8 | (6,863) | - | (6,863) | |
| Depreciation charge – right-of-use assets | 8 | 116,886 | 126,652 | 58,139 | 72,119 |
| Interest expense on lease liability | 13(b) | 17,172 | 30,931 | 7,867 | 21,636 |
| Exchange loss /(gain) on lease liability | 8 | 11,439 | (222) | 11,671 | - |
| Deferred capital grant released to revenue | 17 | (58,133) | (67,803) | (39,067) | (45,349) |
| Unrealized forex gain in cash and cash equivalents | 8 | (1,700) | (6,761) | (2,041) | (7,589) |
| | | **132,862** | **(416,372)** | **72,937** | **(479,918)** |
| **Changes in working capital:** | | | | | |
| (Increase) / decrease in grants funds receivable | | (89,736) | 38,935 | (89,736) | 38,935 |
| (Increase) / decrease in other receivables | | (39,803) | 6,782 | (175,955) | (53,561) |
| Increase/ (decrease) in deferred income grants | | 594,462 | (5,368) | 594,462 | (5,369) |
| Decrease in trade and other payables | | (24,601) | (119,970) | (33,903) | (86,901) |
| | | **573,184** | **(495,993)** | **367,805** | **(586,814)** |
| Tax paid | 10(b) | (12,582) | (10,059) | (12,530) | (10,059) |
| **Cash generated from / (used in) operations** | | **560,602** | **(506,052)** | **355,275** | **(596,873)** |
| **Cash flows from investing activities:** | | | | | |
| Plant and equipment acquired | 12 | (22,486) | (13,059) | (17,024) | (7,227) |
| Proceeds from sale of assets | | 1,892 | 3,287 | 1,892 | 2,399 |
| **Cash used in investing activities** | | **(20,594)** | **(9,772)** | **(15,132)** | **(4,828)** |
| **Cash flows from financing activities:** | | | | | |
| Receipt of capital grant | 17 | 22,486 | 13,059 | 17,024 | 7,227 |
| Office lease paid - Principal | 13(b) | (113,546) | (114,558) | (81,870) | (65,364) |
| Office lease paid - Interest | 13(b) | (17,172) | (30,931) | (11,671) | (21,636) |
| **Cash used in financing activities** | | **(108,232)** | **(132,430)** | **(76,517)** | **(79,773)** |
| **Net increase/ (decrease) in cash and cash equivalents** | | **431,776** | **(648,254)** | **263,626** | **(681,474)** |
| Unrealized forex gain in cash and cash equivalents | | 1,700 | 6,761 | 2,041 | 7,589 |
| **Cash and cash equivalents at the beginning of the year** | | **542,466** | **1,183,959** | **335,844** | **1,009,729** |
| **Cash and cash equivalents at the end of the year** | 16 | **975,942** | **542,466** | **601,511** | **335,844** |

## 1. ORGANISATION INFORMATION

Twaweza East Africa is registered under the Non-Governmental Organisations 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 Organisation in Tanzania on 21 August 2019 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 Organisation. 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.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (b) Going Concern Consideration

The Group and Organisation's current liabilities exceeded current assets by USD 74,008 and USD 15,439 respectively (2024: USD 92,185 and USD 28,122) respectively. These conditions give rise to material uncertainty which may cast significant doubt about the Group and Organisation's ability to continue as a going concern, and that therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have assessed the Group and Organisation's ability to continue as a going concern and are satisfied that the Group and Organisation will have access to sufficient resources to continue operate for the foreseeable future. This assessment is based on the following factors:

- In line with the Group and Organisation's strategic plan, the Group and Organisation has been able secure funding arrangements totaling USD 2,844,462, as per the breakdown below, which is expected to cover at least 94% of the Group and Organisation budget for 2026. Furthermore, Group has also secured a funding pledge with no signed agreement from the Ireland Embassy to the tune of USD 178,000 (or 6% of 2026 budget).

Donor commitment with signed contracts for financial year 2026 and beyond:

| No. | Donor details | Period covered | Amount to be received in 2026 in USD |
|---|---|---|---|
| 1 | Opening balance from 2025 | N/a | 164,396 |
| 2 | SIDA Tanzania | 2026 | 430,066 |
| 3 | Hewlett Foundation – Core Support | 2026 | 1,250,000 |
| 4 | Wellspring Philanthropic Fund | 2026 | 600,000 |
| 5 | Ford Foundation – Core Support | 2026 – 2029 @ 400,000 per year | 400,000 |
| | **Total** | | **2,844,462** |

- The directors are not aware of any other material uncertainties that may cast significant doubt upon the Organisation's ability to continue as a going concern

The Financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Changes in accounting policy and disclosures

*New and amended standards adopted by the Organisation.*

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 2025. 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 Organisation*

| Title | Effective date | Executive summary |
|---|---|---|
| IPSAS 43, Leases | Annual periods beginning on or after 1 January 2025<br><br>(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 Organisation.*

| Title | Effective date | Executive summary |
|---|---|---|
| IPSAS 45, Property, Plant and Equipment | Annual periods beginning on or after 1 January 2025<br><br>(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.<br><br>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<br><br>(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.<br><br>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<br><br>(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)<br><br>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<br><br>(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. |

## 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 Organisation.

### (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 Organisation'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.

## 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 Organisation 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 Organisation'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.

## 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 Organisation assesses at the end of each reporting period whether there is objective evidence that a financial asset or Organisation'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 Organisation 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 reorganisation, 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.

## 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 Organisation is registered, using substantively enacted tax rates in Tanzania where the Group and Organisation 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 Organisation 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 Organisation.

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.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (q) Employee benefits - Retirement benefit obligation

The Group and Organisation has a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Organisation pays fixed contributions into a separate entity. The Organisation's contributions to the defined contribution schemes are charged in statement of comprehensive income in the year in which they relate. The Group and Organisation 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 Organisation has no further payment obligations once the contributions have been paid. The Group and Organisation and all its employees contribute to the National Social Security Fund (NSSF) and Jubilee Insurance which are defined contribution scheme.Pursuant to Section 21 of the Kenya National Social Security Fund Act, 2013, the entity remits part of employees' statutory contributions to Jubilee Insurance, a private defined contribution scheme approved by the Retirement Benefits Authority to manage employee post-employment benefits.

### (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 Organisation assesses whether a contract is or contains a lease, at inception of the contract. The Group and Organisation 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 Organisation 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.

## 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 Organisation 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 Organisation 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 Organisation 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 Organisation 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 Organisation 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.

## 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 Organisation has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Organisation 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 Organisation's activities expose it to a variety of financial risks, namely: market risk, credit risk and liquidity risk. The Group and Organisation'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 Organisation 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 Organisation from the volatility associated with foreign currency depreciation. The Group and Organisation also maintain 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 Organisation 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 Organisation, primarily with respect to Tanzania shillings, Uganda shillings and Kenya shillings.

Organisation financial assets and liabilities are denominated in Tanzania shillings, Kenyan shillings and Ugandan shillings. As a result, the Group and Organisation is exposed to exchange rate fluctuations that have impact on cash flows. Exposure to foreign currency risk is mitigated by the fact that the Organisation 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 2025, 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 35,440 (2024: USD 15,374) 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 2025, 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 4,683 (2024: USD 5,195) 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 2025, 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 425 (2024: USD 5,558) higher/lower mainly as a result of foreign exchange gains'/losses on translation of Kenyan Shillings denominated payables, receivables and cash.

## 4 FINANCIAL RISK MANAGEMENT (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 Organisation's maximum exposure to credit risk at 31 December is made up as follows:

| | GROUP 2025 USD | 2024 USD | ORGANISATION 2025 USD | 2024 USD |
|---|---|---|---|---|
| Cash at bank (note 16) | 955,775 | 541,212 | 582,124 | 335,46 |
| Short term deposit (note 16) | 19,004 | - | 19,004 | - |
| Staff debtors (note 14) | 985 | 251 | 981 | 251 |
| Deposits (note 14) | 4,848 | 10,853 | 809 | 6,831 |
| Receivables from non-exchange transaction (note 18) | 89,736 | - | 89,736 | - |
| | **1,070,348** | 552,316 | **692,654** | 342,54 8 |

No collateral is held for any of the above assets.

### (c) Liquidity risk

Liquidity risk is the risk that the Group and Organisation 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 Organisation'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 Less than 1 year USD | ORGANISATION Less than 1 year USD |
|---|---|---|
| At 31 December 2025 | | |
| Payables under exchange transactions (note 19) | **282,914** | **246,210** |
| At 31 December 2024 | | |
| Payables under exchange transactions (note 19) | 254,573 | 236,331 |

## 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 Organisation 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 Organisation is subjected to several taxes and levies by various government and quasi-government regulatory bodies. Generally, the Organisation 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.

| | GROUP | | ORGANISATION | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **USD** | USD | **USD** | USD |

## 6. INCOME GRANTS

| | **2025 USD** | 2024 USD | **2025 USD** | 2024 USD |
|---|---|---|---|---|
| Amount released from deferred income grants (Note 18) | **3,888,898** | 3,347,803 | **2,049,627** | 1,716,723 |

## 7. OTHER INCOME

| | **2025 USD** | 2024 USD | **2025 USD** | 2024 USD |
|---|---|---|---|---|
| Contribution from other Organisations | **5,010** | 15,712 | **5,010** | 15,712 |
| Deferred capital grant released on disposed assets | **2,605** | 1,070 | **2,605** | 182 |
| Gain/ (loss) on disposal of assets | **(712)** | 2,217 | **(712)** | 2,217 |
| Interest income | **1,804** | 16,849 | **1,448** | 16,849 |
| | **8,707** | 35,848 | **8,351** | 34,960 |

## 8. OPERATING COSTS

| | **2025 USD** | 2024 USD | **2025 USD** | 2024 USD |
|---|---|---|---|---|
| Demonstrating agency and responsiveness | **716,627** | 206,782 | **325,094** | 64,212 |
| Generating evidence (Sauti za wananchi & Evaluations) | **967,136** | 352,115 | **365,402** | 152,150 |
| Kiufunza | **567,483** | 475,786 | **567,483** | 475,786 |
| Strengthening Civil Societies | **104,201** | 12,969 | **66,584** | 12,969 |
| Influencing institutions | **312,915** | 54,118 | **128,709** | 28,684 |
| Governance and management | **188,873** | 1,794,621 | **99,795** | 1,025,764 |
| Indirect program costs* | **1,086,115** | 1,088,887 | **528,854** | 570,790 |
| | **3,943,350** | 3,985,278 | **2,081,921** | 2,330,355 |

***Indirect program costs include the following:**

| | **2025 USD** | 2024 USD | **2025 USD** | 2024 USD |
|---|---|---|---|---|
| Support staff costs (Note 9b) | **639,096** | 641,678 | **294,530** | 322,890 |
| Staff recruitment | **7,199** | - | **3,804** | - |
| Office running costs | **126,627** | 122,873 | **76,036** | 65,662 |
| Value Added Tax, on office rent | **14,254** | 18,863 | **8,348** | 16,561 |
| Communications/ Internet/ Utilities | **115,889** | 108,370 | **55,829** | 48,868 |
| Travel and transport | **8,408** | 5,557 | **2,870** | 1,363 |
| Exchange movement on conversion between bank accounts | **(5,858)** | 3,004 | **(11,337)** | 5,385 |
| Unrealized exchange (gain)/ loss on cash and cash equivalents | **(1,700)** | (6,761) | **(2,041)** | (7,589) |
| Depreciation of property and equipment | **58,133** | 67,803 | **39,067** | 45,349 |
| Equipment written off | **2,605** | 1,070 | **2,605** | 182 |
| Exchange loss/ (gain) on lease liability | **11,439** | (222) | **7,867** | - |
| Gain on lease modification | **(6,863)** | - | **(6,863)** | - |
| Depreciation - Right to use asset | **116,886** | 126,652 | **58,139** | 72,119 |
| | **1,086,115** | 1,088,887 | **528,854** | 570,790 |

| | GROUP | | ORGANISATION | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **USD** | USD | **USD** | USD |
| **9. EMPLOYEE BENEFIT COSTS** | | | | |
| **a) Program employee** | | | | |
| Salaries | **1,246,807** | 1,340,544 | **625,039** | 762,483 |
| Skills and Development Levy | **28,973** | 30,269 | **19,437** | 22,266 |
| Social Security Contributions | **146,980** | 145,192 | **78,427** | 82,891 |
| Health and group insurance | **77,779** | 85,181 | **37,307** | 44,674 |
| Other staff benefits | **94,548** | 109,056 | **47,611** | 64,624 |
| Staff leave | **13,225** | (56,741) | **9,886** | (32,955) |
| Workers Compensation Fund | **4,140** | 4,047 | **2,777** | 3,065 |
| Severance pay | **64,576** | 28,561 | **28,465** | 15,621 |
| Housing levy | **3,634** | 3,299 | **1,492** | 1,423 |
| National Industrial Training Authority | **25** | 112 | **5** | 22 |
| | **1,680,687** | 1,689,520 | **850,446** | 964,114 |
| **b) Support employees** | | | | |
| Salaries | **479,160** | 512,346 | **217,990** | 255,364 |
| Skills and Development Levy | **15,755** | 14,032 | **10,261** | 9,514 |
| Social Security Contributions | **55,446** | 53,745 | **26,073** | 27,002 |
| Health and group insurance | **46,871** | 48,161 | **19,948** | 24,237 |
| Other staff benefits | **26,771** | 26,674 | **12,975** | 13,003 |
| Staff leave | **2,830** | (25,928) | **1,622** | (12,606) |
| Workers Compensation Fund | **2,257** | 2,127 | **1,469** | 1,428 |
| Severance pay | **9,194** | 9,736 | **4,192** | 4,948 |
| Housing Levy | **798** | 729 | **-** | - |
| National Industrial Training Authority | **14** | 56 | **-** | - |
| | **639,096** | 641,678 | **294,530** | 322,890 |

## 10. INCOME TAX

| | Group and Organisation 2025 USD | Group and Organisation 2024 USD |
|---|---|---|
| **a) Income tax expense** | | |
| Income tax current | **(6,487)** | 18,531 |
| **Reconciliation of effective tax** | | |
| Surplus before income tax | **6,057** | 563,686 |
| Tax calculated at 30% | **1,817** | (169,106) |
| Items not deductible for tax purposes | **5,503** | 7,025 |
| Alternative Minimum Tax at 0.5% | - | 16,925 |
| FAR adjustment | - | (597) |
| Under /(over) provision of corporate tax for earlier years | **(7,771)** | 1,606 |
| Deferred tax movement not recognized | **(6,036)** | 162,678 |
| **Income tax expense** | **(6,487)** | 18,531 |

| | GROUP 2025 USD | GROUP 2024 USD | ORGANISATION 2025 USD | ORGANISATION 2024 USD |
|---|---|---|---|---|
| **b) Income tax recoverable** | | | | |
| At start of year | **28,029** | 36,501 | **28,029** | 36,501 |
| Current tax charge – Note 10(a) | **6,487** | (18,531) | **6,487** | (18,531) |
| Income tax paid | **12,582** | 10,059 | 12,530 | 10,059 |
| At end of year | **47,098** | 28,029 | **47,046** | 28,029 |

## 11. DEFERRED INCOME TAX

Deferred income tax is calculated using the enacted income tax rate of 30% (2024: 30%). The movement on the deferred income tax account is as follows:

| | 2025 USD | 2024 USD |
|---|---|---|
| At start of year | - | - |
| Deferred tax asset | **(229,758)** | (206,638) |
| Deferred tax not recognized | **229,758** | 206,638 |
| At end of year | - | - |

## 11. DEFERRED INCOME TAX (CONTINUED)

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

**Year ended 31 December 2025**

| Deferred tax assets | At start of year USD | Prior periods USD | Movement USD | At end of year USD |
|---|---|---|---|---|
| Plant and equipment | (26,665) | (9,002) | 2,768 | **(32,899)** |
| Other timing differences | (10,309) | 1,072 | 1,342 | **(7,264)** |
| Tax losses carried forward | (169,664) | (21,226) | 1,926 | **(189,596)** |
| Net deferred tax asset | (206,638) | (29,156) | 6,036 | **(229,758)** |
| Deferred tax not recognized | 206,638 | 29,156 | (6,036) | **229,758** |
| Net deferred tax | - | - | - | - |

**Year ended 31 December 2024**

| Deferred tax assets | At start of year USD | Prior year adjustments USD | Movement USD | At end of year USD |
|---|---|---|---|---|
| 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 | - | - | - | - |

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.

## 12. PROPERTY AND EQUIPMENT

| *Year ended 31 December 2025* | Leasehold improvement | Motor vehicles | Computer accessories | Furniture & fittings | Equipment | Total |
|---|---|---|---|---|---|---|
| | USD | USD | USD | USD | USD | USD |
| **GROUP** | | | | | | |
| **At 1 January 2025** | | | | | | |
| 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** |
| **Year ended 31 December 2025** | | | | | | |
| At start of the year | 1,072 | 40,081 | 25,809 | 11,970 | 23,164 | 102,096 |
| Additions | - | - | 17,023 | 689 | 4,774 | 22,486 |
| Depreciation charge | (490) | (22,717) | (23,252) | (2,046) | (9,628) | (58,133) |
| Disposals | (3,966) | - | - | (17,870) | (23,566) | (45,402) |
| Accumulated depreciation on disposals | 3,384 | - | - | 15,863 | 23,550 | 42,797 |
| Closing net book value | **-** | **17,364** | **19,580** | **8,606** | **18,294** | **63,844** |
| **At 31 December 2025** | | | | | | |
| Cost | - | 90,867 | 263,740 | 48,695 | 184,859 | 588,161 |
| Accumulated depreciation | - | (73,503) | (244,160) | (40,089) | (166,565) | (524,317) |
| Net book value | **-** | **17,364** | **19,580** | **8,606** | **18,294** | **63,844** |

## 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 |
|---|---|---|---|---|---|---|
| **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** |

## 12. PROPERTY AND EQUIPMENT (CONTINUED)

| *Year ended 31 December 2025* | Leasehold improvement USD | Motor vehicles USD | Computer accessories USD | Furniture & fittings USD | Equipment USD | Total USD |
|---|---|---|---|---|---|---|
| **ORGANISATION** | | | | | | |
| **At 1 January 2025** | | | | | | |
| 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 | **1,074** | **40,081** | **9,235** | **9,218** | **12,945** | **72,553** |
| **Year ended 31 December 2025** | | | | | | |
| At start of the year | 1,074 | 40,081 | 9,235 | 9,218 | 12,945 | 72,553 |
| Additions | - | - | 17,024 | - | - | 17,024 |
| Depreciation charge | (490) | (22,717) | (9,168) | (1,455) | (5,237) | (39,067) |
| Disposals | (3,967) | - | (52,390) | (16,531) | (19,641) | (92,529) |
| Accumulated depreciation on disposals | 3,383 | - | 52,390 | 14,526 | 19,625 | 89,924 |
| Closing net book value | **-** | **17,364** | **17,091** | **5,758** | **7,692** | **47,905** |
| **At 31 December 2025** | | | | | | |
| Cost | - | 90,867 | 114,515 | 24,012 | 96,819 | 326,213 |
| Accumulated depreciation | - | (73,503) | (97,424) | (18,254) | (89,127) | (278,308) |
| Net book value | **-** | **17,364** | **17,091** | **5,756** | **7,692** | **47,905** |

## 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** |

## 13. LEASES

| | GROUP | | ORGANISATION | |
|---|---|---|---|---|
| | **2025 USD** | 2024 USD | **2025 USD** | 2024 USD |
| **(a) Right-of-use assets** | | | | |
| **Cost** | | | | |
| At January | **402,677** | 402,677 | **216,356** | 216,356 |
| Additions | **189,971** | - | **132,477** | - |
| Write-off | **(282,041)** | - | **(216,355)** | - |
| At 31 December | **310,607** | 402,677 | **132,478** | 216,356 |
| **Depreciation** | | | | |
| At January | **163,074** | 36,422 | **72,119** | - |
| Charge for the year | **116,886** | 126,652 | **58,139** | 72,119 |
| Write-off | **(173,864)** | - | **(108,178)** | - |
| At 31 December | **106,096** | 163,074 | **22,080** | 72,119 |
| **Carrying amount** | | | | |
| At 31 December | **204,511** | 239,603 | **110,398** | 144,237 |
| **(b) Lease liabilities** | | | | |
| At 1 January | **198,567** | 313,347 | **150,992** | 216,356 |
| Addition | **189,971** | - | **132,477** | - |
| Interest expense to lease liability | **17,172** | 30,931 | **11,671** | 21,636 |
| Exchange gain on lease liabilities | **11,439** | (222) | **7,867** | - |
| Write-off | **(115,041)** | - | **(115,041)** | - |
| Payment of lease liability - Principal | **(113,546)** | (114,558) | **(81,870)** | (65,364) |
| Payment of lease liability - Interest | **(17,172)** | (30,931) | **(11,671)** | (21,636) |
| | **171,390** | 198,567 | **94,425** | 150,992 |
| Analyzed as: | | | | |
| Non-current | **89,170** | 110,393 | **45,389** | 79,091 |
| Current | **82,220** | 88,174 | **49,036** | 71,901 |
| | **171,390** | 198,567 | **94,425** | 150,992 |
| Maturity analysis: | | | | |
| Year 1 | **82,220** | 88,174 | **49,036** | 71,901 |
| Year 2 | **58,678** | 110,393 | **45,389** | 79,091 |
| Year 3 | **16,261** | - | **-** | - |
| Year 4 | **14,231** | - | **-** | - |
| | **171,390** | 198,567 | **94,425** | 150,992 |

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

## 13. LEASES (CONTINUED)

| | GROUP | | ORGANISATION | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **USD** | USD | **USD** | USD |
| **(c) Amounts recognized in the statement of financial performance.** | | | | |
| Depreciation on right-of-use assets (Note 8) | **116,886** | 126,652 | **58,139** | 72,119 |
| Gain on lease modification (Note 8) | **(6,863)** | - | **(6,863)** | - |
| Interest expense on lease liabilities (Note 13b) | **17,172** | 30,931 | **11,671** | 21,636 |
| Exchange gain on lease liabilities (Note 8) | **11,439** | (222) | **7,867** | - |

### (d) The Group and Organisation's leasing activities

The Group and Organisation 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 33 months (2024: 19 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 Organisation's obligations are secured by the lessors' title to the leased assets for such leases.

The Group and Organisation 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 Organisation:

- 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

| | GROUP | | ORGANISATION | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **USD** | USD | **USD** | USD |
| Prepayments | **207,928** | 162,854 | **112,343** | 105,495 |
| Deposits | **4,848** | 10,853 | **809** | 6,831 |
| Staff debtors | **985** | 251 | **981** | 251 |
| | **213,761** | **173,958** | **114,133** | **112,577** |
| The carrying amounts of other receivables are denominated in the following currencies: | | | | |
| United States dollars | **139,717** | 120,519 | **65,583** | 111,495 |
| Kenyan shillings | **15,927** | 18,155 | **-** | - |
| Ugandan shillings | **9,567** | 31,781 | **-** | - |
| Tanzanian shillings | **48,550** | 3,503 | **48,550** | 1,082 |
| | **213,761** | **173,958** | **114,133** | **112,577** |

| | GROUP | | ORGANISATION | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **USD** | USD | **USD** | USD |

## 15. AMOUNT OWED FROM GROUP COMPANIES

| | | | | |
|---|---|---|---|---|
| Twaweza East Africa Uganda | - | - | **43,545** | 94,965 |
| Twaweza Ni Sisi | - | - | **230,267** | 4,448 |
| | - | - | **273,812** | 99,413 |

## 16. CASH AND BANK BALANCES

| | | | | |
|---|---|---|---|---|
| Bank balances | **955,775** | 541,212 | **582,124** | 335,466 |
| Short term deposits | **19,004** | - | **19,004** | - |
| Petty cash balances | **1,163** | 1,254 | **383** | 376 |
| | **975,942** | 542,466 | **601,511** | 335,842 |

## 17. DEFERRED CAPITAL GRANTS

| | | | | |
|---|---|---|---|---|
| At start of year | **102,096** | 157,910 | **72,553** | 110,857 |
| Grants received during the year | **22,486** | 13,059 | **17,024** | 7,227 |
| Release of capital grant to the statement of financial performance | **(58,133)** | **(67,803)** | **(39,067)** | **(45,349)** |
| Deferred capital grant released on disposal of asset | **(2,605)** | **(1,070)** | **(2,605)** | **(182)** |
| **At end of year** | **63,844** | 102,096 | **47,905** | 72,553 |

## 18. GRANT RECEIVABLE/ (DEFERRED INCOME GRANTS

| | Opening balance USD | Cash received during the year USD | Grant charged USD | Closing balance USD | Grant funds receivable USD | Deferred income grants USD |
|---|---|---|---|---|---|---|
| **Year ended 31 December 2025** | | | | | | |
| SIDA Tanzania | - | 957,500 | 527,434 | 430,066 | - | 430,066 |
| Hewlett Foundation | - | 1,250,000 | 1,189,549 | 60,451 | - | 60,451 |
| Wellspring Philanthropic Fund | - | 700,000 | 642,723 | 57,277 | - | 57,277 |
| American Jewish World Service | - | 550,000 | 523,402 | 26,598 | - | 26,598 |
| Ford Foundation | - | 415,000 | 394,930 | 20,070 | - | 20,070 |
| The Hempel Foundation | - | 453,873 | 453,873 | - | - | - |
| Vodacom Tanzania Plc. | - | 89,736 | 179,472 | (89,736) | 89,736 | - |
| **Total** | **-** | **4,416,109** | **3,911,383** | **504,726** | **89,736** | **594,462** |
| **Recognised as;** | | | | | | |
| Capital grant (Note 17) | - | - | 22,486 | - | - | - |
| Income grant (Note 6) | - | - | 3,888,897 | - | - | - |
| | **-** | **-** | **3,911,383** | **-** | **-** | **-** |

| | |
|---|---|
| *Deferred Income grant split | |
| - Twaweza East Africa -Tanzania HQ | 2,049,627 |
| - Twaweza East Africa Uganda and Twaweza Ni Sisi | 1,839,270 |
| | **3,888,897** |

## 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 |
|---|---|---|---|---|---|---|
| **GROUP** | | | | | | |
| **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** | | | |

| | GROUP | | ORGANISATION | |
|---|---|---|---|---|
| | **2025** | 2024 | 2025 | 2024 |
| | **USD** | **USD** | USD | USD |
| **19. PAYABLES UNDER EXCHANGE TRANSACTIONS** | | | | |
| Accruals and other payables | **282,914** | 254,573 | **246,210** | 236,331 |
| Statutory liabilities | **440,949** | 493,891 | **251,969** | 295,751 |
| | **723,863** | 748,464 | **498,179** | 532,082 |

## 20. 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:

| | GROUP | | ORGANISATION | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **USD** | USD | **USD** | USD |
| **Key management remuneration** | | | | |
| Salaries and other short-term benefits | **792,341** | 883,344 | **418,648** | 518,287 |

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.

## 21. 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.

## 22. 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 2025 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 2025 was USD 87,155 (2024: USD 187,878).

## 23. LEGAL STATUS

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

APPENDIX

TWAWEZA EAST AFRICA

ANALYSIS OF DETAILED BUDGET VERSUS ACTUAL EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2025

| | Tanzania | | Uganda | | Kenya | | Regional | | |
|---|---|---|---|---|---|---|---|---|---|
| Description | Annual Budget | Actual Expenditure | Annual Budget | Actual Expenditure | Annual Budget | Actual Expenditure | Annual Budget | Actual Expenditure | Ann Bud (US |
| **Mission 1: Demonstrating agency and responsiveness** | | | | | | | | | |
| Demonstrating agency and responsiveness | 67,510 | 75,628 | 151,606 | 136,181 | 27,297 | 12,783 | - | - | 246 |
| Staff costs - Demonstrating agency and responsiveness | 102,192 | 110,254 | 104,255 | 109,884 | 7,461 | 8,420 | 266,433 | 263,475 | 480 |
| **Total Demonstrating agency and responsiveness** | **169,702** | **185,883** | **255,861** | **246,065** | **34,758** | **21,204** | **266,433** | **263,475** | **726** |
| | | | | | | | | | |
| **Mission 2: Generating Evidence** | | | | | | | | | |
| Sauti Za Wananchi | 31,737 | 29,086 | 54,595 | 55,762 | 56,605 | 57,788 | - | - | 142 |
| Organisational Learning and Strategy | 21,129 | 2,726 | 69,854 | 52,198 | 43,665 | 34,435 | 82,571 | 88,064 | 217 |
| KiuFunza III | 531,984 | 493,483 | - | - | - | - | - | - | 531 |
| Staff costs - Generating Evidence | 130,945 | 143,297 | 99,208 | 104,284 | 52,193 | 61,355 | 403,380 | 412,141 | 685 |
| **Total Generating Evidence** | **715,795** | **668,592** | **223,657** | **212,245** | **152,463** | **153,577** | **485,951** | **500,205** | **1,577** |
| | | | | | | | | | |
| **Mission 3: Strengthening civil society** | | | | | | | | | |
| Strengtherning civil society | 22,829 | 13,501 | - | - | - | - | - | - | 22 |
| Staff costs - Strengthening civil society | 9,832 | 10,942 | - | - | - | - | 69,068 | 79,758 | 78 |
| **Total Strengthening civil society** | **32,661** | **24,443** | **-** | **-** | **-** | **-** | **69,068** | **79,758** | **101** |
| | | | | | | | | | |
| **Influencing institutions** | | | | | | | | | |
| Influencing institutions | 12,599 | 8,938 | 38,296 | 29,891 | 10,500 | 14,593 | - | - | 61 |
| Staff costs- Influencing institutions | 1,309 | - | 30,991 | 32,812 | - | - | 218,321 | 226,681 | 250 |
| **Total: Influencing institutions** | **13,908** | **8,938** | **69,287** | **62,702** | **10,500** | **14,593** | **218,321** | **226,681** | **312** |
| | | | | | | | | | |
| **Indirect program costs** | | | | | | | | | |
| Indirect program costs | 209,667 | 182,976 | 115,210 | 112,945 | 52,318 | 50,881 | 71,424 | 68,278 | 448 |
| Staff costs - Indirect program | 101,043 | 109,912 | 104,738 | 107,336 | 72,382 | 72,407 | 350,609 | 349,413 | 628 |
| **Total Indirect program costs** | **310,710** | **292,888** | **219,948** | **220,281** | **124,700** | **123,288** | **422,033** | **417,692** | **1,077** |