

UWEZO TANZANIA

**REPORT BY THOSE CHARGED WITH GOVERNANCE
AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

LIST OF ABBREVIATIONS

| | |
|----------|-----------------------------------------------------------------|
| ALA: | Annual Learning Assessment |
| ELANA: | Early Childhood Literacy and Numeracy Assessment |
| TaRL: | Teaching at the Right Level |
| TIE: | Tanzania Institute of Education |
| GAWE: | Global Action Week of Education |
| ALIVE: | Assesment of Life Skills and Values |
| IQEC: | International Quality Education Conference |
| NGO: | Non-Governmental Organization |
| ELTU: | Every Language Teaches Us |
| PoRALG: | President's Office-Regional Administration and Local Government |
| MOEST: | Ministry of Education, Science and Technology |
| CSO: | Civil Society Organization |
| TTCs: | Teachers Training Colleges |
| NACONGO: | National Council of Non Governmental Organization |
| RELI: | Regional Education Learning Initiative |
| GPE: | Global Partnership for Education |

UWEZO TANZANIA

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REPORT BY THOSE CHARGED WITH GOVERNANCE AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

GENERAL INFORMATION

REGISTERED OFFICE

85K SUITES, Plot No.85
Kinondoni Rd
P.O Box 8259
Dar es Salaam
Tanzania

LAWYERS

Victory Attorneys and Consultants
1st Floor, IT Plaza Building
Ohio Street/Garden Avenue
P.O.Box 72015
Dar es Salaam
Tanzania

ENTITY'S EXTERNAL AUDITOR

Auditax International
Certified Public Accountants
PPF Tower, 7th Floor
Garden Avenue, Ohio Street
P.O Box 77949, Dar es Salaam, Tanzania
Office: +255 22 212 0692, Cell: +255 719 878 490
Website: <http://www.auditaxinternational.co.tz>
Firm's registration Number: 199925, TIN number: 110-747-985

MAIN BANKER

Stanbic Bank (T) Ltd
P.O.Box 75647
Dar es Salaam
Tanzania

**REPORT BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 31 DECEMBER 2022**

Uwezo Tanzania has pleasure in presenting the annual report and the audited financial statements of Uwezo Tanzania (the "Organization") for the year ended 31 December 2022.

1. ORGANIZATION BACKGROUND

Uwezo Tanzania was registered as a non governmental organization on 10th January 2020 with registration number 00NGO/R2/09001.

2. MISSION AND VISION

Vision statement:

A society in which all children are learning and realizing their full potential

Mission Statement:

We are committed to demonstrating how to improve learning outcomes and keeping communities and leaders focused on learning through assessment, research, innovations, partnerships and advocacy.

3. PRINCIPAL ACTIVITIES

The principal activity of Uwezo Tanzania is to generate and curate evidence on learning outcomes and use it to engage with policy actors and citizens to address the learning crisis.

4. PERFORMANCE FOR THE YEAR

The Statement of Financial Performance shows no surplus or deficit generated for the year ended 31 December 2022, (2021: nil). Uwezo Tanzania spent funds amounting to USD 619,747 for the year ended 2022 (2021: USD 459,025) to undertake various activities as detailed out in part 4.1 below. The detailed financial performance of the Organization, during the year is set out on page 14 of these financial statements.

4.1. Main achievements and developments for the year include:

- 4.1.1 Uwezo managed to analyse data for Uwezo ALA 2021 conducted in Chalinze district and produced report for sharing with different education stakeholders and government and policy makers. A total of 926 households were assessed and 753 household found with children while 173 were without children.
- 4.1.2 For the first time in its strategic term, Uwezo managed to develop assessment tools for three sets of numeracy, literacy and life skills. The tools were used to assess functional literacy for young adults aged 14 - 20 years.
- 4.1.3 Uwezo managed to secure permit from government institutions to conduct research work for functional literacy assessment in Bagamoyo district.
- 4.1.4 Uwezo was involved in the technical committee team for developing ALIVE assessment tools. It was a regional team including experts from Kenya, Uganda and Tanzania. Through its participation in the technical team and leveraging Uwezo experience in assessment, the organization was granted USD 380,935 to conduct assessment in 34 districts from Tanzania mainland.
- 4.1.5 Uwezo managed to contextualize the ELANA tools fitting with Tanzanian curriculum and learning content. The tools were reviewed and translated into Swahili and Uwezo staff gained more skills and technical expertise in tools development.
- 4.1.6 Uwezo conducted a reflection meeting in Ludewa district with Jifunze implementing partners together with government officials. The implementation of the initiative in numeracy showed great improvement where about 82% of children enrolled in Jifunze class mastered basic numeracy skills in 30 days.

UWEZO TANZANIA

- 4.1.7 Uwezo partnered with PAL Network and received a grant to implement learning initiatives (My Village project). Through the initiative Uwezo conducted scoping visit to three districts implementing Jifunze in Ludewa, Gairo and Kisarawe to engage the government and received permit to implement Jifunze in 100 villages. A total of 200 teachers were trained in 100 villages to conduct baseline assessment and support children found with learning difficulties.
- 4.1.8 Uwezo showcased the best practices of Jifunze/Teaching at the Right Level (TaRL) to more than 500 educationists at Teacher's management College ADEM in Bagamoyo, Pwani Region.
- 4.1.9 Uwezo was recognised and invited by the government to participate and share opinions in the Education stakeholders meeting for curriculum reform. Also managed to solicit space to present best practices of Jifunze/TaRL to policy makers at PoRALG (Tamisemi) and Tanzania Institute of Education (TIE).
- 4.1.10 Having an opportunity to attend and share achievements of Uwezo work at key national and regional education conference/ platforms such as GAWE, IQEC, CSO week, NACONGO, PAL family meetings, RELI Annual Convening as well as production and distribution of advocacy materials relating to Uwezo work to key stakeholders in these events.
- 4.1.11 Uwezo conducted effective media engagement by soliciting spaces for talk shows in the media to continue rising debate on improving learning outcomes for children. We managed to get coverage and being mentioned more than 40 times by mainstream Media outlets such as TBC, ITV, TV E and Radio DW and attracted an increase of more than 500 followers in our social media account specifically twitter.
- 4.1.12 Uwezo is also proud to have kick-started the Low Tech Initiatives and being able to send out more than 5000 SMS with literacy learning contents for children to parents.
- 4.1.13 The year 2022 will be remembered by Uwezo for being issued with the accreditation of its Jifunze/TaRL manuals that will be used widely by teachers to support children improve in their foundation literacy and numeracy skills.

4.2. Main challenges and support requested from others:

- Delays in getting permits from respective authorities which continue to hamper timely undertaking of activities.
- Inadequate funding which restricted extension of Jifunze interventions to more schools in Ludewa and Gairo as per the request from the government officials to extend the initiatives. The challenge of inadequate funding has limited the organization's ability to widen its human resource pool as per its organogram.

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. UWEZO TANZANIA FUTURE PROSPECTS

We are committed to continue demonstrating how to improve learning outcomes, promote equity and inclusiveness in education, and keeping communities and leaders focused on learning through assessment, research, innovations, partnerships and advocacy. For the year 2023 we will continue implementing assessment work and continue monitoring our Jifunze initiatives in 3 districts ie Kisarawe, Gairo and Ludewa. As our strategy comes to an end in 2023, through out the year we also intend to embark in the process of developing our next strategy that will guide our operations from 2024 going forward.

6. SOLVENCY

The Board confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board has reasonable expectation that the Organization has adequate resources to continue in operational existence for the foreseeable future.

The financial position of the Organization as at 31 December 2022 is set out on page 15 of these financial statements.

7. BUDGETS

Detailed annual budgets are prepared by the management for review by the Uwezo Tanzania Board.

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

8. BOARD MEMBERS

The Board consists of five directors headed by Board Chairman. The Board takes overall responsibility for the Organization, including the responsibility for identifying key risk areas, considering and monitoring decisions, considering significant financial matters and reviewing the performance of management plans and budgets.

The Board of Directors is also responsible for ensuring that comprehensive system of internal control policies and procedures is operative and for a compliance with sound corporate governance principles.

The Board Members of the Organisation who held office during the year and to the date of this report were:

| Name | Position | Qualification | Nationality | Remarks |
|-------------------|-----------------|----------------------------------------------------------------------------------------------|--------------------|-------------------------------------|
| Hillary Dachi | Chairman | Senior Lecturer (SOED) University of Dar es salaam, Tanzania | Tanzanian | Appointed on 25th September 2020 |
| Asha Kisesa | Director | Director of Finance and Administration – PACT Tanzania | Tanzanian | Appointed on 25th September 2020 |
| Joseph Ngwegwe | Director | Executive Director, Tanzania Inter-Trade and Investment Solutions Ltd (TIIS), Tanzania | Tanzanian | Appointed on 25th September 2020 |
| Elvis Mushi | Director | Head of Research, Financial Sector Deepening Trust (FSDT), Tanzania | Tanzanian | Appointed on 25th September 2020 |
| Scholastica Jullu | Director | Director of Programs, Legal services Facility (LSF), Tanzania | Tanzanian | Appointed on 25th September 2020 |

UWEZO Tanzania Board has 2 committees which are the Audit, Risk and Finance Committee and Program & Technical Committee.

The Audit, Risk and Finance Committee is responsible for assisting Uwezo Tanzania in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, risk management, the audit process and Uwezo's process for monitoring compliance with laws and regulations as well as the code of conduct. The committee has 4 members who were proposed and approved by the board on 9 April 2021.

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

The members of Audit, Risk and Finance Committee include:

- i. Asha Kisesa-Chairperson
- ii. Scholastica Jullu-Member
- iii. Joseph Ngwegwe-Member
- iv. Benjamini Masebo-Secretary

The Program & Technical Committee is responsible for assisting the board in reviewing, overseeing and monitoring all program activities of Uwezo Tanzania. The committee has now 3 members who were proposed and approved by the board on 9 April 2021.

The members of the Program & Technical Committee include:

- i. Elvis Mushi-Chairperson
- ii. Hillary Dachi-Member
- iii. Benjamini Masebo-Secretary

During the financial year the board convened 4 meetings to deliberate on matters relating to annual plan and budget, midterm budget review, organization operation and progress. In the course of the board meetings, It was resolved for Uwezo Tanzania to open another account with Diamond trust bank to serve the purpose of providing credit card services, however after the process was unsuccessful the board again resolved to close the account.

9. BOARD MEMBERS' INTEREST IN THE ORGANIZATION

The Board Members do not have any ownership interest in the Organization.

10. RISK MANAGEMENT

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

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

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Organization system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2022 and is of the opinion that they met accepted criteria.

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**KEY COMMERCIAL AND OPERATIONAL RISK**

| Risk | Description of risk | Mitigation |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resource development | Income will be insufficient to carry out our 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 Uwezo budget and workplan | Seek out new donors and new grant possibilities with existing donors to expand income base. Active donor and stakeholder engagement on the progress of the organisation as well as ensuring strong financial management and accountability systems are in place. |

11. DELEGATION

The overall objectives of the Organization are agreed by the Board, which delegates the day-to-day operations to management for execution. There is a clear Organization structure, detailing the lines of authority.

12. COMPETENCE

Staff skills are maintained both by a formal recruitment process and a performance appraisal system which identifies training needs. Uwezo Tanzania organizes regular learning sessions aimed at enhancing staff skills and widening the understanding of relevance of Uwezo Tanzania's work as well as for personal development.

13. EMPLOYEE BENEFIT PLAN

During the year, Uwezo Tanzania and its employees contributed to the National Social Security Fund (NSSF), which is a statutory defined contribution plan, on monthly basis, under the NSSF Act. The Organization's contributions to the defined contribution plan are charged to the statement of income and expenditure in the year to which they relate. The Organization has no other obligations to pay post-employment benefits.

14. EMPLOYEES & RELATIONSHIP WITH MANAGEMENT

During the year Uwezo Tanzania had 5 employees managing 3 of its departments, The Research department was headed by Mr Benjamin Masebo as Program Officer, the Communication & Advocacy department was headed by Mr Greyson Mgoi as Program Officer and the administration department had 3 key staffs ie the Accountant, Executive Assistant cum HR and IT officer. The relationship between management and employees was reasonably good and there were no unresolved complaints received by management from employees.

15. MEDICAL ASSISTANCE

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

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**16. PERSONS WITH DISABILITIES**

The Organisation has not recruited any persons with disabilities. However, it is the policy of the Organisation not to discriminate against persons with disability in recruitment.

17. GENDER PARITY

The Organization 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 regardless to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties. The Organization had the following distribution of employees by gender.

| Gender | 2022 | 2021 |
|---------------|-------------|-------------|
| Female | 2 | 3 |
| Male | 3 | 2 |
| Total | 5 | 5 |

18. KEY PERFORMANCE INDICATORS

During the year key performance indicators that were applicable to Uwezo Tanzania included the following:

Current ratio

Current ratio is a ratio that measures company ability to pay short term obligations. It is calculated by taking current assets divided by current liabilities. During the year, Uwezo current ration was approximately 1.

Beneficiary Surveys

This is a qualitative performance indicator in which Uwezo uses to measure efficiency and effectiveness of its interventions where as before an intervention takes place Uwezo collects baseline assessment data and upon intervention collects endline assessment date to asses the effectiveness of the intervention.

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

19. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in Note 18 to the financial statements.

20. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which require adjustment to or disclosure in the financial statements.

21. AUDITORS

Name of Auditor

Physical Address

Firms Registration

TIN Number

Appointment of the auditor and any rotation requirement.

Auditors; PF Numbers

Auditax International

PPF Tower, 7th Floor,
Garden Avenue, Ohio Street
P.O.Box 77949,
Dar es Salaam

Registered under Company Act 2002 and issued with the registration number 199925 and registered by Bank of Tanzania.

Also, registered under Accountant and Auditors registration Acts 1972 as amended in 1995.

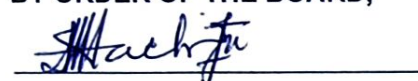
Also Auditax international is registered with Tanzania Revenue Authority (TRA).

110-747-985

The auditors, Auditax International, has expressed willingness to continue in office and is eligible for re-appointment.

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BY ORDER OF THE BOARD,



Chairperson of the Board of Directors

24/05/2023



Executive Director

24/05/2023

STATEMENT OF RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022

The Uwezo Tanzania constitution requires directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Organization as at the end of the financial year and of its net income for the year. It also requires those charged with governance to ensure that the Organization keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Organization. They are also responsible for safeguarding the assets of the Organization and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities. The external auditor are engaged to express an independent opinion on the annual financial statements.

Those charged with governance are of the opinion that, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records are reliable for the preparation of the annual financial statements.

Those charged with governance are satisfied that the organization has access to adequate resources to continue in operational existence for the foreseeable future. The details for the going concern status of the Organization has been detailed in reports by those charged with governance in the preceeding pages of this report


The external auditors are responsible for independently reviewing and reporting on the Organization's annual financial statements. The annual financial statements have been examined by the Organization's external auditors and their report is presented on page 12 to 13.

The annual financial statements set out on page 14 to 34, which have been prepared on the going concern basis, were approved on behalf of the Board of Directors by:



Chairperson of the Board of Directors

24/05/2023



Executive Director

24/05/2023

**DECLARATION BY THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2022**

The National Board of Accountants and Auditors (NBAA) according to the powers conferred to it 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 the financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's financial position and performance in accordance with the International Public Sector Accounting Standards. Full legal responsibility for the preparation of the financial statements rests with the Board of Directors as stated under the Directors' Responsibilities on the previous page.

I, **Barbra Abdul Mtemvu**, being the Head of Finance Uwezo Tanzania hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2022 have been prepared in compliance with International Public Sector Accounting Standards.

I thus confirm that the financial statements give a true and fair view of the financial position and performance Uwezo Tanzania as on that date and for the year then ended, and that the financial statements have been prepared based on properly maintained financial records.



Name: CPA (T) Barbra Abdul Mtemvu

Position: **Accountant**

NBAA Membership No.: 6587

Date: 24/05/2023

Independent Auditor's Report To the Members of Uwezo Tanzania

Opinion

We have audited the financial statements of Uwezo Tanzania, which comprise the statement of financial position as at 31 December 2022, the statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts of the year ended, and notes to the financial statements, comprising a summary of significant accounting policies and other relevant information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the entity as of 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The basis for our opinion is detailed on the following paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. There were no key audit matters to report during the year ended 31 December 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**Independent Auditor's Report
To the Members of Uwezo Tanzania (Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Non-Governmental Organisation Act, 2002 to be kept by the Entity have been properly kept in accordance with the provisions of the NGO Act.

The engagement partner on the audit resulting in this independent auditor's report is Straton Makundi.



**Auditax International
Certified Public Accountants
Dar es Salaam, Tanzania**

Signed by: Augustino Gulila (CPA-PP)

Date 31st May 2023

Registration No. ACPA 3671



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 USD | 2021 USD |
|-----------------------------------------------|------|----------------|----------------|
| Revenue | | | |
| Revenue from non exchange transactions | 5 | 619,747 | 459,025 |
| Total Revenue | | <u>619,747</u> | <u>459,025</u> |
| Expenses | | | |
| Program related costs | 6 | 480,814 | 317,035 |
| Administration costs | 7 | 138,933 | 141,990 |
| | | <u>619,747</u> | <u>459,025</u> |
| Surplus/Deficit | | - | - |
| Income tax expense | | - | - |
| Total surplus/(Deficit) for the period | | <u>-</u> | <u>-</u> |

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

| | Note | 2022 USD | 2021 USD |
|--------------------------------------------|------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property and Equipment | 9 | <u>14,774</u> | <u>24,199</u> |
| Current assets | | | |
| Receivables from non exchange transactions | 10 | 15,271 | 288 |
| Other receivable | 11 | 19,987 | 29,005 |
| Cash and bank balances | 12 | <u>185,392</u> | <u>223,774</u> |
| | | <u>220,650</u> | <u>253,067</u> |
| Total Assets | | <u>235,424</u> | <u>277,266</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred capital grant | 13 | 14,774 | 24,199 |
| Current Liabilities | | | |
| Payables from exchange transactions | 14 | 11,981 | 29,807 |
| Deferred Income grant | 15 | <u>208,669</u> | <u>223,260</u> |
| | | <u>220,650</u> | <u>253,067</u> |
| Total Liabilities | | <u>235,424</u> | <u>277,266</u> |

The financial statements on pages 14 to 33 were approved and authorised for issue by the Board on2023 and were signed on its behalf by:



Chairperson of the Board of
Directors

24/05/ 2023



Executive Director

24/05/ 2023

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2022

| | Accumulated Surplus | Total |
|------------------------------|----------------------------|--------------|
| | USD | USD |
| As at 1 Jan 2022 | - | - |
| Surplus/deficit for the year | - | - |
| As at 31 Dec 2022 | - | - |
| As at 1 Jan 2021 | - | - |
| Surplus/deficit for the year | - | - |
| As at 31 Dec 2021 | - | - |

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 USD | 2021 USD |
|-------------------------------------------------------------------|-------|-----------------|----------------|
| Cash flow from Operating Activities | | | |
| Surplus/(deficit) before income tax | | - | - |
| Adjusted for: | | | |
| Loss from disposal of assets | 7 | 12 | - |
| Depreciation charge - Property and equipment | 9 | 9,616 | 9,234 |
| | | <u>9,628</u> | <u>9,234</u> |
| Changes in working capital: | | | |
| (Increase)/Decrease in receivables from non exchange transactions | 10 | (14,983) | 233,414 |
| (Decrease)/increase in deferred income grants | 15 | (14,591) | (239,902) |
| (Decrease)/increase in deferred capital grants | 13 | (9,425) | (4,898) |
| (Increase)/Decrease in other receivables | 11 | 9,018 | 5,255 |
| Increase/(decrease) in payables from non exchange transactions | 14 | (17,826) | 25,226 |
| | | <u>-</u> | <u>-</u> |
| Tax paid | | - | - |
| Cash (used in) /generated from operations | | <u>(38,179)</u> | <u>28,329</u> |
| Investing Activities | | | |
| Plant and equipment acquired | 9 | (203) | (4,336) |
| Net Cash Flows from Investing Activities | | <u>(203)</u> | <u>(4,336)</u> |
| Cash Flow from Financing Activities | | - | - |
| Net (decrease)/increase in cash and cash equivalents | | <u>(38,382)</u> | <u>23,993</u> |
| Cash and Cash Equivalents | | | |
| Cash and cash equivalents at beginning of period | | 223,774 | 199,781 |
| Net change in cash for period | | (38,382) | 23,993 |
| Cash and cash equivalents at end of period | 12 | <u>185,392</u> | <u>223,774</u> |

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Original budget [A] USD | Adjustment [B] USD | Final budget [C=A-B] USD | Actual amount on accrual basis USD | Actual on comparable basis [D] USD | Performance difference [C-D] USD | Explanation for material variation |
|-----------------------------|----------------------------------|--------------------------|-----------------------------------|---------------------------------------------|------------------------------------------------|-------------------------------------------|------------------------------------------|
| Receipts | 434,002 | 310,204 | 744,206 | 619,747 | 590,364 | 153,842 | |
| | 434,002 | 310,204 | 744,206 | 619,747 | 590,364 | 153,842 | [A] |
| Payments | | | | | | | |
| Programs related costs | 316,819 | 265,969 | 582,788 | 480,814 | 509,067 | 73,721 | [B] |
| Administration costs | 117,183 | 44,235 | 161,418 | 138,933 | 108,378 | 53,040 | [C] |
| | 434,002 | 310,204 | 744,206 | 619,747 | 617,445 | 126,761 | |
| Operating surplus/(deficit) | - | - | - | - | (12,097) | 12,097 | |
| Capital expenditures | | | | | | | |
| Equipment | - | 4,250 | 4,250 | 203 | 203 | 4,047 | [D] |

Explanation for Material Variations

ORIGINAL AND FINAL APPROVED BUDGET AND COMPOSITION OF ACTUAL AND BUDGET AMOUNTS

Uwezo Tanzania budget is prepared on cash basis using a classification based on function and covers the same period (01 January 2022 to 31 December 2022) as the financial statements. Uwezo Tanzania budget was approved by the Board of Directors. The budget and financial statements are prepared using different basis. The financial statements are prepared on an accrual basis using a classification based on function in the Statement of Financial Performance, whereas the budget was prepared on cash basis. The amount in the financial statement were recast from the accrual basis and reclassified by presentation to be made on the cash basis.

Note A: The variation is contributed by the net effect of opening cash balance from 2021 that was budgeted for utilization in 2022 as well funds received from Wellspring Philanthropic Fund in 2022 which were to be utilized for 2022/2023 hence a portion of about USD 50,000 was budgeted for 2023.

Note B: The variation is explained by the fact that there were activities that had not been implemented as per the annual plan eg launch of reports on Uwezo assessments conducted in 2021, also activities such as ELANA were not fully implemented during the year as ELANA field trial 3 was rescheduled to 2023 due to delays in obtaining permits and approvals to implement the activities in 2022.

Note C: The variation is explained by reduction in staff cost as a result of retirement of Executive Director effective from April 2022 and the Board had not replaced her position.

Note D: The Organization had planned to purchase computers & equipments for office use however during the year we received donation of assets from Twaweza East Africa and did not purchase the planned computers.

RECONCILIATION OF ADJUSTMENTS FOR ACCRUED AMOUNT AND NON CASH

| | USD |
|---------------------------------------------|----------------|
| Revenue from non-exchange transactions | 619,747 |
| Decrease in deferred income | (14,591) |
| Capital Grant released to Income | 9,616 |
| Decrease in deferred capital grants | (9,425) |
| Increase in grant receivable | (14,983) |
| Actual Cash Received during the year | 590,364 |
| <hr/> | |
| Program & Administration costs | 619,747 |
| Decrease in prepayments | (9,018) |
| Adj. Depreciation | (9,616) |
| Ad.Exchange loss | (1,494) |
| Decrease in Payables | 17,826 |
| Actual Cash Spent during the year | 617,445 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ORGANISATION INFORMATION

Uwezo Tanzania was registered as a non governmental organization on 10th January 2020 with registration number 00NGO/R2/09001. The address of its registered office is described in page 2 of these Financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted 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 and statement of compliance

The financial statements have been prepared under the historical cost convention as a measurement basis and in accordance with International Public Sector Accounting Standards (IPSAS). The accrual basis of accounting have been applied as required under IPSAS and presentation of Financial Statement is in United States Dollars (USD), except where otherwise indicated.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Uwezo Tanzania's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(b) Changes in accounting policy and disclosures

(i) New standards, amendments and interpretations adopted by the Organisation

In the current year, the organisation applied all relevant International Public Sectors Accounting Standards (IPSASs) issued by the International Public Sectors Accounting Standards Board (IPSASB) that are mandatory effective for accounting periods that begin on 1 January 2022.

IPSAS 41, Financial Instruments

In August 2018, IPSASB released IPSAS 41. This standard establishes new requirements for classifying, recognizing and measuring financial instruments replacing IPSAS 29, Financial Instruments: Recognition and measurement. The objective of this standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing, and uncertainty of an entity's future cash flows. The key difference between IPSAS 29 and IPSAS 41 is that IPSAS 29 lacks classification of financial assets and financial liabilities. On the other hand, IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The effective date of IPSAS 41 is January 1, 2022, with earlier adoption encouraged. IPSAS 41 is applied retrospectively in accordance with IPSAS 3, Accounting Policies, Change in Accounting Estimates and Errors unless specific conditions are met.

Management has assessed the requirement of this standard on the organization's financial reports and is of the opinion that the adoption of this standard do not have significant impact in financial statements of the organisation because currently the organisation do not held the instruments which met the definition of financial instrument as per IPSAS 41.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(CONTINUED)**

IPSAS 42, Social Benefit

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits as defined in this Standard. The information provided should help users of the financial statements and general purpose financial reports assess:

- (a) The nature of such social benefits provided by the entity;
- (b) The key features of the operation of those social benefit schemes; and
- (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

To accomplish that, this IPSAS establishes principles and requirements for:

- (a) Recognizing expenses and liabilities for social benefits;
- (b) Measuring expenses and liabilities for social benefits;
- (c) Presenting information about social benefits in the financial statements; and
- (d) Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for social benefits. This Standard applies to a transaction that meets the definition of a social benefit. This Standard does not apply to cash transfers that are accounted for in accordance with other Standards. The effective date of IPSAS 42 is January 1, 2022 with early adoption encouraged. Management has assessed this standard and is of the opinion that the expected impact of the standard to the organization's financial reports is currently remote because the organization has no policy relating to social benefits.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Changes in accounting policy and disclosures (Continued)

(ii) New standards that are not yet effective and have not been early adopted by the organization (Continued)

IPSAS 43, Leases

IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model for lessee to be applied to all leases (i.e., all leases are treated as finance leases), whilst retaining the same approach for lessors (i.e., finance and operating leases). Lessees will be recognizing a right-of-use asset and a lease liability on the commencement of a lease. The asset is initially recognized at the amount of the lease liability plus initial direct costs; it is subsequently measured using the cost model unless the underlying asset is investment property measured at fair value or PPE measured under the revaluation model. The liability is initially measured at the present value of the lease payments over the lease term, discounted at the rate implicit in the lease or incremental borrowing rate.

On the other hand, Lessors classify leases as either operating or finance leases depending on whether all risks and rewards incidental to ownership of the leased assets have been substantially transferred to the lessee.

Further, IPSAS 43 provides an exemption to leases with a term of fewer than 12 months and leases for which the lease asset is of low value. In this case lease payments are recognized as an expense on a straight-line basis, or another systematic basis, over the lease term (i.e., operating lease treatment). IPSAS 43 will replace IPSAS 13 for reporting periods beginning on or after 1 January 2025 with early adoption encouraged.

On its adoption, the impact to the organisation financial statement will be the increase in total asset due to the recognition of Right of Use asset and the increase in liabilities which represent the present value of future rental payments.

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations.

The Standard requires assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

IPSAS 44 becomes effective for the reporting periods beginning on or after 1 January 2025 with early adoption encouraged.

(c) Revenue from non-exchange transactions

Revenues from non-exchange transactions with the donors are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Organisation and can be measured reliably. Donor grants are not recognized until there is reasonable assurance that the Organisation will comply with the conditions attached to them and that the grants will be received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue from non-exchange transactions (Continued)

Other donors' grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Donors' grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Organisation with no future related costs are recognized in surplus or deficit in the period in which they become receivable.

(d) Equipment

Property and equipment are tangible assets which the Organisation holds for its own use or for rental to others and which are expected to be used for more than one period. An item of property and equipment is recognised as an asset 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. Also capitalize items that are intended by the entity to serve its business operations in the long term. This is the case for assets with the following characteristics:

- Total cost per unit with an equivalent amount of USD 125 or more incl. VAT
- A probable useful life of at least one year and
- The ability to be used throughout the entire life of the asset.

Property and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a straight line method which best reflects the pattern in which the asset's economic benefits are consumed by the Organisation. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised. The depreciation methods and useful lives of items of property and equipment have been assessed as follows:

| Asset | Rate % |
|-------------------------|---------------|
| Motor vehicles | 25 |
| Office equipment | 25 |
| Computers and accessors | 33.3 |
| Furniture and fittings | 12.5 |

During the year, the entity charged its depreciation rates as indicated above.

The residual value, useful life and depreciation method of property and equipment are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each period is recognised in the Statement of Financial Performance unless it is included in the carrying amount of another asset.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Equipment (Continued)

Impairment tests are performed on equipment when there is an indicator that they may be impaired. When the carrying amount of an item of equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in the Statement of Financial Performance to bring the carrying amount in line with the recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from derecognition of an item of equipment is included in the Statement of Financial Performance when the item is derecognised. The gain or loss arising from derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(e) Payables

Payable under non-exchange transaction transactions represent grant received but not yet utilized as at the end of the year

Account payable is made up of accrual which represent amount due to support services and/or materials received prior to the year end, but not paid for as at the statement of financial position date and liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formal agreed with the suppliers respectively

(f) Cash and cash equivalent

Cash and cash equivalents comprise cash on hand and cash in bank, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank balances are initially measured at fair value and subsequently at amortised cost using the effective interest method.

(g) Deferred income

Deferred income is determined based on grants received from non exchange transactions which have conditions attached that results to a present obligation and meets definition of a liability.

(h) Employee benefit

Retirement benefit obligations

The Organisation and all its employees contribute to the appropriate National Social Security Fund (the fund), which is a defined contribution scheme.

A defined contribution plan is a pension plan under which the Organisation pays fixed contributions into a separate entity. The 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 Organisation's contributions to the defined contribution scheme are charged to the statement of financial performance in the period in which they fall due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Provisions

Provisions are recognised when:

- The Organisation has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

(j) Translation of foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

(k) Deferred capital grant

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.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Organisation's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Organisation's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Operating lease commitments – Organisation as a lessee

The Organisation has entered into lease agreements for office space. The Organisation has determined that it does not retain significant risks and rewards of ownership of these properties and so accounts for them as operating leases.

Estimates and assumptions

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Organisation's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk. The Organisation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Market risk

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

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

As at 31 December 2022, 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 0 (2021: 0) higher/lower mainly as a result of foreign exchange gains/losses on translation of Tanzania Shillings denominated payables, receivables and cash.

Credit risk

Credit risk arises from cash and short-term deposits with banks. The Organisation does not have any significant concentrations of credit risk.

The amount that best represents the Organisation's maximum exposure to credit risk at 31 December 2022 is made up as follows:

| | 2022 USD | 2021 USD |
|------------------------|----------------|----------------|
| Staff debtors | 18 | 1 |
| Cash and bank balances | 185,392 | 223,774 |
| | <u>185,410</u> | <u>223,775</u> |

Liquidity risk

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

The table below analyses the Organisation's financial liabilities. These financial liabilities will be settled within a period of one year from 31 December 2022. The amounts disclosed in the table below are the contractual undiscounted cash flows.

| | 2022 USD | 2021 USD |
|-----------------------------|---------------|---------------|
| Trade payables and accruals | 11,981 | 29,807 |
| | <u>11,981</u> | <u>29,807</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(CONTINUED)

| 5 | Revenue from non exchange transactions | 2022 | 2021 |
|----------|-----------------------------------------------------------------------------------------------|----------------|-------------|
| | | USD | USD |
| | Amount released from deferred grants | 609,966 | 449,791 |
| | Other Income | 165 | - |
| | Amount released from capital grant | 9,616 | 9,234 |
| | | 619,747 | 459,025 |
| 6 | Program related costs | | |
| | Jifunze learning activities implemented in 3 districts | 4,610 | 50,584 |
| | PAL Network KIX Project | 16,760 | - |
| | National report & other UwezoTZ engagements& advocacy materials produced | 433 | 17,737 |
| | My Village literacy and numeracy initiatives conducted in 3 districts | 34,867 | - |
| | Assesment of Life skills and values (ALIVE) conducted in 34 districts wthin Tanzania Mainland | 306,413 | - |
| | Action & Community engagements | - | 12,031 |
| | Pilot ECED assessment tools in one district | 2,044 | 24,037 |
| | AKF Learning and reporting partner School2030 Project | - | 25,326 |
| | PAL Network ELTU | 1,276 | 7,376 |
| | Annual learning assessment 6-16 years | 1,999 | - |
| | Functional literacy assessment | 14,734 | - |
| | Monitoring of research activities | 52 | - |
| | Policy debate sustained at national level | 4,148 | - |
| | Rise Campaign | 622 | - |
| | Program staff costs (Note 8a) | 92,856 | 179,945 |
| | | 480,814 | 317,035 |
| 7 | Administration costs | | |
| | Management and strategic support | 18,740 | 4,603 |
| | Support Staff costs (Note 8b) | 59,076 | 63,205 |
| | Office running costs | 1,775 | 17,747 |
| | Office rent | 24,780 | 24,780 |
| | Communications/Internet/Utilities | 7,438 | 12,756 |
| | Travel and admin support | 14,238 | 9,662 |
| | Depreciation of property and equipment | 9,616 | 9,234 |
| | Loss on disposal | 12 | - |
| | Exchange loss | 1,494 | - |
| | Unrealised Currency Gains | - | 3 |
| | Bank charges | 1,764 | - |
| | | 138,933 | 141,990 |
| 8 | Employee Benefit costs | | |
| | a) Program employee | | |
| | Salaries | 71,115 | 152,717 |
| | Skills and Development Levy (SDL) | - | 3,038 |
| | National Social security fund (NSSF) | 11,542 | 11,153 |
| | Health and group insurance | 8,990 | 11,762 |
| | Workers' Compensation Fund (WCF) | 435 | 1,275 |
| | Higher Education Students Loan (HESLB) | 774 | - |
| | | 92,856 | 179,945 |

UWEZO TANZANIA

b) Support Employee

| | | |
|----------------------------------------|---------------------|--------------|
| Salaries | 44,582 | 53,641 |
| Skills and Development Levy (SDL) | - | 1,067 |
| National Social security fund (NSSF) | 7,694 | 3,917 |
| Health and group insurance | 5,994 | 4,131 |
| Workers' Compensation Fund (WCF) | 290 | 448 |
| Higher Education Students Loan (HESLB) | 516 | - |
| | <hr/> 59,076 | <hr/> 63,205 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9 Property and Equipment

| 2022 | Computer Accessories USD | Furniture & fittings USD | Equipment USD | Total USD |
|-------------------------------|--------------------------------|--------------------------------|------------------|---------------|
| Cost | | | | |
| As at 1 January 2022 | 18,426 | 5,401 | 11,114 | 34,941 |
| Additions | - | - | 203 | 203 |
| Disposals | - | (14) | - | (14) |
| As at 31 December 2022 | 18,426 | 5,387 | 11,317 | 35,130 |
| Depreciation | | | | |
| As at 1 January 2022 | 7,223 | 683 | 2,837 | 10,743 |
| Charge for the year | 6,125 | 674 | 2,817 | 9,616 |
| Disposal | - | (3) | - | (3) |
| As at 31 December 2022 | 13,348 | 1,354 | 5,654 | 20,356 |
| Net book value | 5,078 | 4,033 | 5,663 | 14,774 |
| 2021 | Computer Accessories USD | Furniture & fittings USD | Equipment USD | Total USD |
| Cost | | | | |
| As at 1 January 2021 | 17,005 | 2,926 | 10,674 | 30,605 |
| Additions | 1,421 | 2,475 | 440 | 4,336 |
| Disposals | - | - | - | - |
| As at 31 December 2021 | 18,426 | 5,401 | 11,114 | 34,941 |
| Depreciation | | | | |
| As at 1 January 2021 | 1,421 | 15 | 73 | 1,509 |
| Charge for the year | 5,802 | 668 | 2,764 | 9,234 |
| As at 31 December 2021 | 7,223 | 683 | 2,837 | 10,743 |
| Net book value | 11,204 | 4,718 | 8,276 | 24,199 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

| | 2022 USD | 2021 USD |
|-----------------------------------------------------|---------------|---------------|
| 10 Receivable from non exchange transactions | | |
| Twaweza East Africa | 288 | 288 |
| PAL Network | 13,905 | - |
| Oxford Policy Management | 1,078 | - |
| | <u>15,271</u> | <u>288</u> |
| 11 Other receivables | | |
| Prepayments | 1,883 | 26,409 |
| Staff debtors | 18 | 1 |
| Partner Prepayment | 18,086 | 2,595 |
| | <u>19,987</u> | <u>29,005</u> |
| 12 Bank Balances | 185,392 | 223,774 |
| 13 Deferred Capital Grants | | |
| At start of year | 24,199 | 29,097 |
| Grants received during the year | 203 | 4,336 |
| Released to income | (9,616) | (9,234) |
| Write off | (12) | - |
| At end of year | <u>14,774</u> | <u>24,199</u> |
| 14 Payables from exchange transaction | | |
| Other payables | 254 | 25,807 |
| Accruals | 11,727 | 4,000 |
| | <u>11,981</u> | <u>29,807</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

DEFERRED INCOME
15 GRANTS

| Year Ended 31 December 2022 | Opening balance USD | Cash received during the year USD | Reversal of funds USD | Grant Charged to P&L USD | Grant Charged to capital grant USD | Asset disposal USD | Closing balance USD | Grant fund receivable USD | Deferred Income grants USD |
|-------------------------------------------|---------------------------|-----------------------------------------------|-----------------------------|-----------------------------------|------------------------------------------------|--------------------------|---------------------------|------------------------------------|-------------------------------------|
| Wellspring Philanthropic Fund | (187,136) | (199,988) | - | 192,294 | 206 | (14) | (194,637) | - | (194,637) |
| AKF | (6,238) | - | 6,207 | 30 | - | - | - | - | - |
| PAL Network KIX Grant | (26,463) | - | - | 23,700 | - | - | (2,763) | - | (2,763) |
| PAL Network ELTU Grant | (3,423) | - | - | 1,276 | - | - | (2,147) | - | (2,147) |
| PAL Network My Village grant | - | (31,962) | - | 45,867 | - | - | 13,905 | (13,905) | - |
| Milele Zanzibar Foundation-Alive grant | - | (351,565) | - | 342,443 | - | - | (9,122) | - | (9,122) |
| FACILIDADE | - | (4,821) | 3,355 | 1,466 | - | - | - | - | - |
| Oxford Policy Management | - | - | - | 1,078 | - | - | 1,078 | (1,078) | - |
| Milele Zanzibar Foundation | - | (1,812) | - | 1,812 | - | - | - | - | - |
| Total | (223,260) | (590,148) | 9,562 | 609,966 | 206 | (14) | (193,686) | (14,983) | (208,669) |

15 DEFERRED INCOME GRANTS

| | Opening balance USD | Cash received during the year USD | Grant Charged USD | Closing balance USD | Deferred Income grants USD |
|------------------------------------|------------------------|-----------------------------------------|----------------------|------------------------|----------------------------------|
| Year Ended 31 December 2021 | | | | | |
| Twaweza East Africa | (354,802) | 49,505 | 305,297 | - | - |
| Wellspring Philanthropic Fund | (108,361) | (199,988) | 121,212 | (187,136) | (187,136) |
| The AgaKhan Foundation | - | (31,564) | 25,326 | (6,238) | (6,238) |
| PAL Network KIX Grant | - | (26,463) | - | (26,463) | (26,463) |
| PAL Network ELTU Grant | - | (10,799) | 7,376 | (3,423) | (3,423) |
| PAL network Conference | - | (4,148) | 4,148 | - | - |
| Total | (463,163) | (223,456) | 463,359 | (223,260) | (223,260) |
| Recognised as: | | | | | |
| Capital Grant (Note 13) | - | - | 4,336 | - | - |
| Income Grant (Note 5) | - | - | 459,025 | - | - |
| | <u>-</u> | <u>-</u> | <u>463,361</u> | <u>-</u> | <u>-</u> |

16 CONTINGENT LIABILITIES AND COMMITMENTS

The Organization had no contingent liabilities as at year-end (2021: Nil).

The Organization had no capital expenditure commitments at the year-end (2021: Nil).

Operating lease commitment

The Organization has office rent leases but had no non-cancellable lease commitments. There are no contingent rents payable, purchase options and restrictions imposed on the Organization associated with the leases.

17 COMPARATIVE FIGURES

The comparative figures and information for 2021 are presented in the financial statements.

18 RELATED PARTY TRANSACTIONS

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

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

Remuneration paid to board members and key management personnel is as set out below:

| | 2022 | 2021 |
|-----------------------------|---------------|---------|
| | USD | USD |
| Key management remuneration | 23,996 | 117,412 |
| Board allowances | 2,674 | - |
| | 26,670 | 117,412 |

19 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that require adjustment to or disclosure in the financial statements.